

DAILY REPORT

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JAPAN

Tripartite Air Agreement Reached With U.S., USSR	C	1
Nikaido Urges United States To Stay Strong	C	1
Nakasone, Woerner Discuss Soviet Peace Offensive	C	1
Woerner on FRG Role in SDI	C	2
Abe Reports on Visit to U.S., Brazil, Mexico	C	2
Mission Head on Goals of European Economic Tour	C	3
Diet Called; Trade, Tariffs, Elections on Agenda	C	3
Nakasone Approves Domestic Demand Expansion Plan	C	4

NORTH KOREA

KPA Boat Apprehends South Korean Ship	D	1
Pyongyang Reports New Defection From South	D	1
Opposition to Seoul IMF, IBRD Meetings Reported	D	1
[Voice of National Salvation]		
NODONG SINMUN Denounces South Official's Remarks [7 Oct]	D	3
NODONG SINMUN Marks October Resistance in South [1 Oct]	D	4
Ho Tam Meets With Japan Socialist Party Group	D	4
WPK Fetes Cuban Communist Party Delegation	D	4
PRC Stance on Korean Reunification Reported	D	5
Gorbachev Said To Support Joint Olympic Proposal	D	6
[Voice of National Salvation]		
Olympic Committee Group Arrives in Switzerland	D	6
NODONG SINMUN Marks GDR Founding Anniversary [7 Oct]	D	6
Kim Il-song's 1939 Visit to Lake Samji Noted	D	7
Meeting Discusses Kim Il-sung's On-Spot Guidance	D	8
BRIEFS: Navy Delegation Returns From USSR	D	8

SOUTH KOREA

Fishing Boat 'Kidnapped' by North Patrol Boat	E	1
World Bank Task Force, Development Committee Meet	E	1
Task Force Issues Report	E	1
Development Committee Communiqué	E	2
Officials Comment [AFP]	E	3
Leaders, Officials Address World Bank Sessions	E	4
World Bank President to Board	E	4
Secretary Baker on GATT, MIGA	E	6
Chon Tu-hwan Welcoming Speech	E	6
IMF Managing Director Speaks	E	7
Seoul Meeting Chairman Speaks	E	8
Finance Minister Meets Officials to IMF Meeting	E	9
Discussion With IMF Director	E	9
Meets Japanese Counterpart	E	10
Meets U.S. Treasury Secretary	E	10
Police Arrest 30 Planning To Demonstrate Over IMF [KYODO]	E	11

UN Command Counterproposes 14 Oct for MAC Meeting
 [THE KOREA TIMES 8 Oct]
 Yi Won-kyong, Shultz Discuss Easing Trade Tension
 [THE KOREA TIMES 4 Oct]

E 11

E 11

CAMBODIA

Propaganda Commission Document on Achievements
 Phnom Penh on Trade, Economic Talks in Moscow
 Yos Por Returns to Phnom Penh From USSR Visit
 Bou Thang Greets CSSR Defense Minister on Army Day
 Men Sam-an Receives Hungarian Agitprop Delegation
 Industry Ministry Delegation Leaves for Hungary
 SPK Sums Up Thai Incursions During September
 SRV Army Volunteer Units, Experts Decorated
 Phnom Penh Says 688 Enemies Killed in Battambang
 VONADK: SRV Battalion Post Attacked Near Tonle Sap

H 1

H 5

H 6

H 6

H 7

H 7

H 7

H 8

H 8

LAOS

Phoun Sipaseut's Address to UN General Assembly [VNA]
 Leaders Greet GDR Counterparts on National Day

I 1

I 3

THAILAND

Surprise Visit by Vietnamese Announced
 [THE NATION 8 Oct]
 SRV's Son Arrives For Talks [AFP]
 Statement at UN Deplores Israeli Air Strike

J 1

J 2

J 2

VIETNAM

Central Committee Member Nguyen Duc Thuan Dies
 Communique on Funeral
 Hanoi Condemns U.S.-Thai 'Military Collusion'
 VNA on Thai 'Encroachment' of Cambodian Space
 Cooperation With Cambodia Continues To Develop
 Nguyen Huu Tho Leads Group to Czechoslovakia
 Husak Receives Delegation
 SRV Leaders Greet GDR's 36th National Day
 Leaders Attend Reception
 Van Tien Dung Congratulates CSSR People's Army
 Reception Marks Anniversary
 Pham Hung, Vo Van Kiet Address Conference
 NHAN DAN Urges Struggle Against Blackmarket [5 Oct]
 NHAN DAN Calls for Increased Control Work [4 Oct]

K 1

K 1

K 2

K 3

K 3

K 4

K 4

K 5

K 5

K 5

K 6

K 6

K 7

K 8

K 10

PHILIPPINES

Enrile Says Renewal of Martial Law Not Planned
 [METRO MANILA TIMES 6 Oct]
 Jurisdiction Affirmed Over Crimes on U.S. Bases
 AFP: First Lady Asks Pope for Sin Transfer
 Government Resists IMF Pressure To Devalue Peso [AFP]
 9th Moratorium Sought on Foreign Loan Payment [AFP]
 46 Government Corporations Suffer Losses
 [BULLETIN TODAY 4 Oct]
 Jan 1985 Unemployment Rate Hits 14.7 Percent
 [BUSINESS DAY 7 Oct]

P 1

P 2

P 2

P 3

P 4

P 4

P 5

TRIPARTITE AIR AGREEMENT REACHED WITH U.S., USSR

OW080333 Tokyo KYODO in English 0247 GMT 8 Oct 85

[Text] Tokyo, Oct. 8 KYODO -- Japan, the United States and the Soviet Union exchanged a memorandum of understanding Tuesday to ensure the safety of commercial flights over the North Pacific. The memorandum was exchanged at the Foreign Ministry by Foreign Minister Shintaro Abe, U.S. Ambassador to Japan Mike Mansfield and his Soviet counterpart Petr Abrasimov. It is the result of tripartite talks held after the Soviet shooting of a Korean Air Lines (now Korean Air) jumbo jet over the North Pacific in September 1983.

In talks in Washington, Moscow and Tokyo between February 26 and July 29, the three nations agreed to establish an emergency communications line linking Anchorage, Alaska, Tokyo and Khabarovsk in Siberia to exchange information on commercial airlines flying over the North Pacific. They also agreed to set up a direct telephone circuit between the control towers in Tokyo and Khabarovsk, and to study the possibility of using the radio broadcasting station at Petropavlovsk-Kamchatskiy, on the southern tip of Kamchatka peninsula, as a wireless signal.

NIKAIKO URGES UNITED STATES TO STAY STRONG

OW080355 Tokyo KYODO in English 0305 GMT 8 Oct 85

[Text] Washington, Oct. 7 KYODO -- Visiting Liberal-Democratic Party Vice President Susumu Nikaido said Monday that the quintessence of the United States is a "strong America." Nikaido, in Washington for talks with American leaders, invited eight graduates of the University of Southern California, his alma mater, for an informal gathering.

Among the guests at the Madison Hotel was a member of the staff of Senate Majority Leader Robert Dole.

Speaking in English for an hour, Nikaido said "America was a strong nation when I was in the United States 50 years ago. America seemed to have lost confidence in itself in the Vietnam war. But America must be strong." One of the guests expressed apprehension about young Americans going to war. Nikaido said, "A strong America. That's the quintessence of the United States."

Asked why he joined the Liberal-Democratic Party, Nikaido said, "That's because America taught me freedom and democracy."

NAKASONE, WOERNER DISCUSS SOVIET PEACE OFFENSIVE

OW070943 Tokyo KYODO in English 0939 GMT 7 Oct 85

[Text] Tokyo, Oct. 7 KYODO -- The Soviet Union is seeking global peace because of its eroding position at home and abroad, Prime Minister Yasuhiro Nakasone told West German Defense Minister Manfred Woerner Monday. Referring to a new Russian peace offensive manifested by Mikhail Gorbachev's visit to France, Nakasone argued that the Kremlin is trying to score as many diplomatic points as possible, a government official said.

Nakasone said his "personal" interest in the new Soviet leadership under Gorbachev, whom he called "a modern boy," concerns the Russian leader's stance on the U.S. Strategic Defense Initiative (SDI) and installations of SS-20 missiles in Asia and the Far East, and whether Moscow will continue its military buildup in the Far East.

In addition, the premier told Woerner that Japan is watching closely to see if the Soviets change their policy on four islands east of Hokkaido, Japan's northernmost main island, which have been under Russian occupation since the closing days of World War II.

Woerner, now on a five-day visit to Japan, said that his country is looking into the feasibility of its participation in the SDI's research phase which Bonn has said is justified and necessary to counter a similar Soviet project. The Japanese premier noted that the SDI could be "a political bargaining chip" for the United States in its arms control talks with the Soviet Union and for the eventual abolition of nuclear weapons, according to the Japanese official.

Woerner will make an inspection tour of Japan's Self-Defense Forces Tuesday and hold a series of talks with Foreign Minister Shintaro Abe and other Japanese officials Wednesday. He will leave for South Korea Thursday.

Woerner on FRG Role in SDI

OW071237 Tokyo KYODO in English 1228 GMT 7 Oct 85

[Text] Tokyo, Oct 7 KYODO -- West Germany will make a decision by the end of the year on whether or not to take part in research on U.S. President Ronald Reagan's "star wars" space-based missile defense system, West German Defense Minister Manfred Woerner said here Monday. Calling U.S. research projects on the controversial defense program "justified and necessary," Woerner said he welcomes participation of private West German corporations in the research. But he added that prior to the decision, West Germany has no intention of using government funds for the U.S. research on what is officially called the Strategic Defense Initiative (SDI). Woerner, now in Tokyo on a four-day official visit, was a guest speaker at the Japan National Press Club in Tokyo.

West Germany and other major West European countries as well as Japan, Israel and Australia have been invited by Reagan to take part in the research.

Woerner also referred to a new Soviet arms reduction proposal and said it aroused his interest. Soviet leader Mikhail Gorbachev in a trip to Paris last week suggested that both the Soviet Union and the United States cut 50 percent of their strategic nuclear weapons. Woerner said Gorbachev made the proposal because he now sees no chance of dividing the Western bloc over the issue of Soviet-U.S. arms reduction talks. West Germany has contributed to inducing Moscow to put forward the proposal and SDI has also played its role, Woerner added.

Earlier in the day, the West German defense minister held talks with his Japanese counterpart, Koichi Kato, and they agreed that their two countries share a common military threat posed by the Soviet Union. Woerner also met Prime Minister Yasuhiro Nakasone.

ABE REPORTS ON VISIT TO U.S., BRAZIL, MEXICO

OW080357 Tokyo KYODO in English 0336 GMT 8 Oct 85

[Text] Tokyo, Oct 8 KYODO -- Foreign Minister Shintaro Abe said Tuesday that he and his U.S. counterpart George Shultz agreed during their talks in New York to make joint efforts to prevent trade protectionism. Abe was reporting to the day's [word indistinct] cabinet session on his recent visit to the United States, where he attended the U.N. General Assembly session in New York, later traveling to Brazil and Mexico.

He said he had been impressed with the need he felt during the trip to the United States to swiftly carry out the action program Japan announced in July to open up its markets wider to foreign goods, and to resolve the trade disputes between Japan and other countries. Abe further said that efforts should be made to promote high-level discussions on the market opening problems, known as the market-oriented sector selective (MOSS) talks.

He also said he felt the need to extend further support to earthquake-hit Mexico, using both government funds and money donated by the general public.

MISSION HEAD ON GOALS OF EUROPEAN ECONOMIC TOUR

OW071231 Tokyo KYODO in English 1205 GMT 7 Oct 85

[Text] Tokyo, Oct 7 KYODO -- Yoshihiro Inayama, leader of a high-powered economic mission to Western Europe, said Monday before the mission's departure that he will hold frank talks with political and economic leaders to seek an end to trade friction between Japan and Western Europe, and thereby protection of the principle of free trade.

Inayama, chairman of the Japan Federation of Economic Organizations (Keidanren), told newsmen that the mission will strive to deepen mutual understanding during its 12-day tour of Britain, West Germany, France and Belgium. The mission, dispatched by Keidanren, will also visit the European Community (EC) commission headquarters in Brussels.

The mission is expected to face strong demand for correction of the trade imbalance between Japan and the EC, and expansion of industrial-level cooperation.

Referring to overseas calls for expansion of Japan's domestic demand to reduce exports, Inayama said he will frankly tell EC leaders that this is anything but easy.

On criticisms abroad that Japan is resorting to "unfair" trade practices, he said he will listen open-mindedly to explanations on exactly what has prompted such criticisms. He will also explain the Japanese position fully, he added.

Regarding Western criticism that Japan is not enthusiastic enough about promoting imports, Inayama said he will present Japan's case by citing specific examples like whisky and watches.

DIET CALLED; TRADE, TARIFFS, ELECTIONS ON AGENDA

OW080151 Tokyo KYODO in English 0129 GMT 8 Oct 85

[Text] Tokyo, Oct 8 KYODO -- Prime Minister Yasuhiro Nakasone's cabinet decided Tuesday to hold an extraordinary parliamentary session October 14 to seek passage of a large amount of key legislation, including a bill designed to ease trade friction between Japan and other countries. Another major bill the government plans to submit to the Diet is a measure that will restructure election districts for members of the House of Representatives.

The duration of the special session will be decided by executives of the Lower House Steering Committee, but the government hopes to keep the Diet in session for 62 days until December 14.

Opposition parties are expected to focus their strategy against the government on defense spending. A new five-year defense buildup program approved by the Cabinet on September 18 calls for the government to spend 18 trillion yen starting next fiscal year.

Opponents, including Nakasone's predecessors, say that the proposed outlay will run counter to a 1976 cabinet decision to keep military expenditures within 1 percent of the nation's gross national product.

The ruling Liberal-Democratic Party is scheduled to seek Diet approval of legislation to revise the election system, which the Supreme Court has ruled unconstitutional. The bill would take one seat from six sparsely populated election districts and give it to each of six populous constituencies. The ruling party charted this measure in order to keep the total membership in the lower house at 511. But the government and the LDP are expected to face stiff opposition, since the bill affects all parties. The Supreme Court earlier said the current election system was unconstitutional, maintaining that it did not properly reflect the wishes of voters. A candidate with less than 50,000 votes in a rural area has been elected to the lower house, while a candidate polling 100,000 votes in a populous district has been defeated.

The government also hopes to legislate a measure to ease Japan's trade friction with the United States, Europe and other countries. The proposed bill is designed to improve and relax the existing standards and certification system, under which some imported goods must go through a time-consuming bureaucratic inspection in order to gain official approval.

Another bill the government is expected to submit to the special Diet session is a measure to reduce tariffs ahead of schedule. This is in line with the market opening action program announced by the government on July 30.

Special legislation to encourage investment by the private sector to induce domestic demand is expected to be presented to the Diet by the government and the ruling party. A bill to increase government employees' pay is another key piece of legislation.

NAKASONE APPROVES DOMESTIC DEMAND EXPANSION PLAN

0W080513 Tokyo KYODO in English 0505 GMT 8 Oct 85

[Text] Tokyo, Oct. 8 KYODO -- Prime Minister Yasuhiro Nakasone Tuesday approved a domestic demand expansion plan proposed by the Economic Planning Agency.

In a meeting with Nakasone, Agency director general Ippei Kaneko told him that the plan features promotion of housing projects through expansion of lending by the government-run Japan Housing Corp. The plan also seeks a further cut in the interest rate on funds for fiscal investment and loans. Those rates are being cut by 0.3 percent recently to 6.8 percent a year October 11. The plan also includes early implementation of 300-400 billion yen worth of public projects under treasury-backed contracts as well as an expansion of sewerage projects to be financed by issuing local government bonds.

Kaneko told reporters later he is not fully satisfied with the plan, but that it cannot be helped because the government suffers from deficit-ridden finances. He said an expansion of tax cut margins for housing loans and other housing-related taxes will be decided in the process of forming the 1986 budget at the end of the year.

KPA BOAT APPREHENDS SOUTH KOREAN SHIP

SK071017 Pyongyang Domestic Service in Korean 1000 GMT 7 Oct 85

[Text] A KPA boat apprehended a South Korean ship that illegally infiltrated the territorial waters of our side. At around 1855 on 6 October, a KPA naval boat apprehended a South Korean boat and its crewmen that illegally penetrated deep into the territorial waters of our side, west of the Changsan Cape in the West Sea. At present, a competent organ is conducting an investigation.

PYONGYANG REPORTS NEW DEFECTON FROM SOUTH

SK080410 Pyongyang Domestic Service in Korean 0300 GMT 8 Oct 85

[Text] At a time when the South Korean people's longing for the northern half of the republic is growing daily, the number of the South Korean compatriots defecting to the northern half of the Republic across the Military Demarcation Line and via foreign countries increases accordingly.

Following the recent defection to the North by soldiers of the puppet army and compatriots such as Cho Chun-hui, Kim Song-chin, No Yong-sok, and Na Hui-kyong, a young South Korean man named Kim Chol-su, a 21-year-old seaman, has also defected to the northern half of the republic. In Pyongyang, functionaries concerned have warmly welcomed with compatriotic love the young man Kim Chol-su who came to the northern half of the republic in search of a new life, fleeing from the fascist military colonial rule. A child presented him with a bouquet.

The young man Kim Chol-su hails from Seoul and has left his father, mother, and brothers, behind. After finishing his studies at a technical high school located in Yongsungpo-ku, Seoul, he worked for Oyang Maritime Products Co. in Pusan as a seaman.

Through the difficult life of a seaman and the reality in the South, the young man Kim Chol-su became disenchanted with and frustrated by the South Korean society, which is full of contradictions. He said that he could not hold back his pent up grievances against the fascist military Chon Tu-hwan group after seeing the Kwangju incident in particular. He said that on several occasions he had endlessly longed for the northern half of the Republic where all the people live happily under the rule of General Kim Il-song. He then said that he had been assigned to work in distant seas and, taking advantage of this opportunity, he had been able to successfully defect to the northern half of the Republic by choosing his route through a third country.

The young man Kim Chol-su can hardly hold back his joy at having achieved his aspirations of defecting.

OPPOSITION TO SEOUL IMF, IBRD MEETING REPORTED

SK071405 (Clandestine) Voice of National Salvation in Korean to South Korea 1000 GMT 5 Oct 85 85

[Station commentary]

[Text] As was reported, on 4 October, some 500 patriotic students of Yonsei University waged a violent demonstration struggle against the attempt to hold the general meetings of the IMF and the World Bank. Noting that the Chon Tu-hwan ring is attempting to win favor from creditor countries by holding the general meetings of the IMF and the World Bank, and strongly demanding the resignation of the foreign debt-ridden Chon Tu-hwan regime, the patriotic students waged a stone-throwing battle against the riot police, who were randomly shooting tear gas canisters.

Students of Yonsei University were not the only students who waged a struggle against the general meetings of the IMF and the World Bank. Such a struggle is being waged by the people of all walks of life, including democratic figures, as well as patriotic students throughout the country. The Union for Democratic Unification and Mass Movement led by Reverend Mun Ik-hwan issued a statement against the holding of the general meetings of the IMF and the World Bank in Seoul. In the statement, while saying that the problem of our country's foreign debt can be solved only by establishing a democratic government, they exposed and denounced the Chon Tu-hwan fascist regime's economic policy, which opposes the masses, and ardently called for waging a mass struggle on 8 October, when the general meetings of the IMF and the World Bank are scheduled to begin.

The strong protest against and rejection of the holding of the general meetings of the IMF and the World Bank in Seoul by the patriotic students throughout the country, including students of Yonsei University, and the people of all walks of life, is very just. Holding the general meetings of the IMF and the World Bank in Seoul is totally inappropriate and unjust in view of the political and economic situation facing South Korea and in view of our masses' unanimous aspiration for independent, democratic unification.

It is a well-known fact that South Korea is a complete U.S. colony. The Chon Tu-hwan regime, which is carrying out the most vicious fascist rule at U.S. instigation, is a regime devoid of real power and is nothing but a colonial, puppet regime carrying out the U.S. colonial policy of subjugation. Therefore, our masses do not recognize the Chon Tu-hwan dictatorial regime as a regime, and are daily waging a violent struggle to demand the resignation of the Chon Tu-hwan dictatorial regime. Branding the Chon Tu-hwan regime as the most violent colonial, fascist, and dictatorial regime in the world, the progressive masses of the world, as well as our masses, are issuing a thundering call for its denunciation.

As for economic relations, the South Korean economy, which is subjugated to such capitalist countries as the United States and Japan, and which is devoid of independence, is collapsing with every year; only the debt is increasing. For the past 5 years alone, since the Chon Tu-hwan nation-selling traitor took power, the foreign debt has increased by \$30 billion. Considering such realities, it cannot be said that the holding the general meetings of the IMF and the World Bank in Seoul corresponds to the task and goal of these international meetings. The Chon Tu-hwan ring's attempt to hold the so-called international meetings by inviting numerous representatives of various countries of the world in the name of invitation diplomacy was designed to improve the colonial, fascist regime's image, which has fallen at home and abroad; to implant the impression that debt-ridden South Korea has attained economic independence and to win favor. Therefore, holding the international meetings in Seoul will only beautify the Chon Tu-hwan fascist dictatorship and further strengthen its fascist, dictatorial system.

This is an intolerable betrayal of and challenge to our masses, who hope for independence, democracy, and unification. That is why the students throughout the country, including students of Yonsei University, and the people of all walks of life are daily waging a righteous struggle, while opposing the holding of the general meetings of the IMF and the World Bank in Seoul and calling for the withdrawal of the Chon Tu-hwan dictatorship. Whoever really opposes foreign forces and the fascist dictatorship and hopes for an independent, democratic, new society must express positive support for and solidarity with their struggle. This is the only way to advance independence, democracy, and unification. The Chon Tu-hwan ring must stop the holding of the general meetings of the IMF and the World Bank and resign from the seat of office at the earliest date. A dictator who rejects the people's will not be able to escape destruction.

NODONG SINMUN DENOUNCES SOUTH OFFICIAL'S REMARKS

SK070649 Pyongyang KCNA in English 0534 GMT 7 Oct 85

[Text] Pyongyang October 7 (KCNA) -- NODONG SINMUN Monday raps at the anti-communist and splittist tirade let loose by South Korean puppet Foreign Minister Yi Won-kyong before reporters in New York on October 4. Opposing the North's proposition that Korea should enter the United Nations after the North and South are reunified, Yi Won-kyong protested that "it is impossible" for the North and the South "to be reunified into one," the South "will never be subjugated by communism", but "will fight it, no matter what the cost".

The paper says:

It must not go unnoticed that such ill-boding words easily rolled off the tongue of the man who claims to be in charge of the South Korean "foreign affairs" at a time when multi-channel dialogue is in progress between North and South for promoting national reconciliation and unity and accelerating a peaceful reunification of the country in disregard of the difference in ideology, idea and system.

This is a treacherous outpouring revealing the true color of the puppet ruling clique seeking only confrontation and division, not national unity and reunification.

The puppet contended that reunification is impossible because of the presence of different systems in the North and the South. Then we cannot help asking his clique what they are having dialogue with us for. We insist on reunifying the country by founding a confederal state on condition that the North and the South recognize and tolerate the idea and system of the other side. This totally rules out whether one is subjugated by the other or not. Only those who pursue national division can invent the pretext of "subjugation" and so on in order to justify it.

The splittist intention of the South Korean puppets was unmasked to its full measure when Yi declared that "there is no other way but peaceful coexistence," crying that the permanent division of Korea must be "recognized" as a hard fact. The puppets' "peaceful coexistence" doctrine is, in fact, a doctrine of "impossibility of unification." It is a treacherous slogan for keeping divided our country into "two Koreas" forever by obstructing national unity and freezing national division.

The South Korean puppet foreign minister that day bellowed against the North's proposal for Olympic co-sponsorship which is consistent with the basic idea of olympiad and, furthermore, is a rational step towards rejoining the severed national ties and improving and developing the North-South relations. This also revealed, after all, their splittist stand in persistently pursuing confrontation and division and plotting for "two Koreas".

The puppet foreign minister, in an effort to justify the splittist moves of his clique, numbed that day he hoped that the North would accept the permanent division of the nation as a reality and feel the need to enter the United Nations as time flows. But it is the most ridiculous mishmash ever heard. We will never enter the United Nations before the reunification of the country because we cannot tolerate the division of our homogeneous nation into two nations and because we regard it our noble national mission to reunify the country by fighting through generations, if we cannot achieve it in our generation, and we will not even feel the need of doing so.

NODONG SINMUN MARKS OCTOBER RESISTANCE IN SOUTH

SK010622 Pyongyang KCNA in English 0538 GMT 1 Oct 85

[Text] Pyongyang October 1 (KCNA) -- Dailies here today carry articles denouncing the U.S. imperialists' occupation of South Korea on the 39th anniversary of the October popular resistance in South Korea (October 1946). A signed article of NODONG SINMUN says: The resistance waged by nearly 2.3 million patriotic people throughout South Korea against the U.S. imperialists' colonial enslavement policy was a nation-wide anti-U.S. national salvation resistance for the sovereignty and dignity of the nation.

Although the October popular resistance was frustrated, it demonstrated at home and abroad the undaunted spirit and might of the South Korean people determined not to be a colonial slave of foreign aggressors again and dealt a heavy blow at the U.S. imperialists and their stooges.

Recalling that the U.S. imperialists' bestial colonial rule has been maintained in South Korea till today, 39 years since then, the paper assails the moves of the U.S. imperialists and the Chon Tu-hwan puppet clique for permanent division of Korea and their belligerent manoeuvres.

The daily stresses:

Unless an end is put to the U.S. imperialists' colonial rule and the puppets' traitorous policy of dependence on outside forces, the national dignity and sovereignty cannot be taken back nor can the desire of the South Korean people for an independent life be realized.

If the U.S. imperialists and the Chon Tu-hwan group persist in the anachronistic occupation policy and treacherous acts going against the aspiration of the South Korean people for independence against U.S. imperialism and for democracy against fascism, this will result after all in precipitating their destruction.

If the U.S. imperialists and the Chon Tu-hwan group persist in the anachronistic occupation policy and treacherous acts going against the aspiration of the South Korean people for independence against U.S. imperialism and for democracy against fascism, this will result after all in precipitation their destruction.

HO TAM MEETS WITH JAPAN SOCIALIST PARTY GROUP

SK080737 Pyongyang KCNA in English 0558 GMT 8 Oct 85

[Text] Pyongyang October 8 (KCNA) -- Ho Tam, member of the Political Bureau, and Secretary of the Central Committee of the Workers Party of Korea, on October 7 met and had a friendly talk with the delegation of organ of the Japan Socialist Party Shakai Shimpo headed by its chief editor Hiroshi Nukui at the Mansudae Assembly Hall.

WPK FETES CUBAN COMMUNIST PARTY DELEGATION

SK080729 Pyongyang KCNA in English 0618 GMT 8 Oct 85

[Text] Pyongyang October 8 (KCNA) -- The Central Committee of the Workers' Party of Korea gave a reception at the Ongnyu Restaurant Monday evening for the delegation of the Communist Party of Cuba headed by Armando Acosta Cordero, alternate member of the political bureau of the CPC Central Committee and national chairman of the Cuban Committee for the Defense of Revolution, on a visit to our country. Ho Chong-suk, secretary of the WPK Central Committee, spoke at the reception.

We are greatly satisfied with the continued excellent development of the friendly and cooperative relations between the two parties and two peoples under the particular care of the respected leader Comrade Kim Il-song and Comrade Fidel Castro, the supreme leader of the Cuban revolution, she said.

Today, she noted, the fraternal communist party and people of Cuba under the leadership of respected Comrade Fidel Castro are vigorously struggling to defend the gains of the Cuban revolution from the invasion of the U.S. imperialists and greet the 3rd congress of the party with great achievements in socialist construction and increase of the defense capacity. She stressed: our party and people will as ever advance shoulder to shoulder with the Cuban party and people along the road of the struggle against the common enemy and for the common ideal.

Head of the delegation Armando Acosta Cordero spoke next. Pointing out that the Cuban people are watching the revolutionary cause of the Korean people with deep sympathy and concern, he said that their just struggle greatly inspired the Cuban people.

The Cuban people express unbounded respect for the great leader of the Korean people Comrade Kim Il-song, he noted, and said: his august name will be recorded in letters of gold in human history. Comrade Kim Il-song is the leader who is directing to victory not only the Korean people but also the world people who are struggling for freedom and independence, he stressed. Our two peoples are comrades-in-arms and brothers who are struggling for the common ideal and the progress of mankind, he said, and stated: the Cuban people always extend support and encouragement to the revolutionary cause of the heroic Korean people.

The U.S. imperialists' occupation of South Korea is the root cause of Korea's division which has been continuing for 40 years. The Korean people supported and encouraged by the progressive people of the world will surely reunify their country, he emphasized.

PRC STANCE ON KOREAN REUNIFICATION REPORTED

SK060217 Pyongyang Domestic Service in Korean 2200 GMT 30 Sep 85

[Text] Issue No. 18 of BAN YUE TAN, a Chinese magazine, carried an article entitled "Our Position on the Korean Question." Noting that this year the North and the South gradually expanded dialogue, including Red Cross talks and economic talks, the magazine points out that China wholeheartedly supports the realization of Korea's independent, peaceful reunification putting an end to division at the earliest date.

The magazine continues: The method for the reunification of Korea must be decided by both the North and South sides of Korea. In 1980, President Kim Il-song made a proposal on realizing the peaceful reunification of Korea in the form of a confederal system by establishing the Democratic Confederal Republic of Koryo. This proposal is a reasonable one which corresponds with the actual situation on the Korean peninsula. If a confederal system is established, the social systems and ways of life existing in the North and South of Korea can remain intact and it is beneficial to the peaceful development and prosperity of the Korean people. China supports this proposal and hopes for its realization at the earliest date. The peaceful solution of the Korean question not only corresponds with the immediate interests of the Korean people, but also is beneficial to peace in Asia and the world as a whole.

Mentioning the proposal for tripartite talks between us, the United States, and South Korea, the magazine said that China supports the holding of tripartite talks. The magazine concluded that the United States, as a matter of course, must remove all of its forces from South Korea.

GORBACHEV SAID TO SUPPORT JOINT OLYMPICS PROPOSAL

SK050541 (Clandestine) Voice of National Salvation in Korean to South Korea 1000 GMT 2 Oct 85

[Talk on international voices supporting the North's proposal for cohosting the 1988 Olympics in the North and South from the feature program "Trend of the World"]

[Excerpts] Sympathizing with the North's proposal for cohosting the 1988 Olympics in Pyongyang and Seoul, the vast international community is now actively supporting the proposal calling on the North and South to participate jointly in the Olympics by forming a single team. Party and state leaders of various countries in the world and personages of all walks of life as well as public organizations of various strata addressed, and issued statements in support of the North's proposal for cohosting the Olympics in both North and South, calling for its realization at an early date.

On 19 September, General Secretary of the CPSU Gorbachev, in a meeting with JSP Chairman Ishibashi, said that realization of the North's proposal for cohosting the 1988 Olympics should not be hindered because the North's proposal is not aimed at destroying the Olympic movement and because the Olympics are a movement promoting friendship and unity among the masses of various countries. He also said that the socialist countries will act together to realize the North's proposal.

OLYMPIC COMMITTEE GROUP ARRIVES IN SWITZERLAND

SK060958 Pyongyang KCNA in English 0935 GMT 6 Oct 85

[Text] Geneva October 4 (KCNA) — A delegation of the Olympic Committee of the Democratic People's Republic of Korea headed by its Chairman Kim Yu-sun arrived in Geneva by plane on October 3 to participate in a joint meeting of the International Olympic Committee and the delegates of the Olympic Committees of North and South of Korea to be held in Lausanne over October 8-9.

In his statement upon arrival Kim Yu-sun said: Our delegation on the initiative of the International Olympic Committee and by its efforts will be a successful meeting conducive to the smooth development of the international Olympic movement and to the unity and reunification of the Korean nation. It will raise at the meeting the question of the cohosting of the 1988 Olympiad by the North and South and sincerely discuss it and will approach with sincerity any proposal, whoever makes it, if it conforms with the strengthening and development of the international Olympic movement and the cause of the reunification of the Korean nation.

NODONG SINMUN MARKS GDR FOUNDING ANNIVERSARY

SK071047 Pyongyang KCNA in English 1034 GMT 7 Oct 85

[Text] Pyongyang October 7 (KCNA) — NODONG SINMUN today dedicates an article to the 36th anniversary of the founding of the German Democratic Republic.

The article notes: The founding of the GDR was a great event that opened a new phase in the German people's history. The GDR people are now engaged in a high-pitched drive to successfully capture the ten objectives of economic strategy for the 1980s set by the 10th Congress of the Socialist Unity Party of Germany and to build a developed socialist society. The GDR Government and people are bending great efforts to end the arms race in Europe, create a nuclear-free zone in Europe and maintain peaceful relations between the NATO and Warsaw Treaty nations.

The GDR today greatly contributes to preserving peace and security in Europe as a fortress defending the western post of socialism. Its international authority is growing as the days go by. All these successes in the GDR are results of the outstanding and energetic guidance of respected Comrade Erich Honecker and the devoted efforts of the GDR people closely united around the Socialist Unity Party of Germany.

The Korean people rejoice over the successes as over their own and warmly congratulate them. The Korean and GDR peoples who are defending the eastern and western posts of socialism are supporting and cooperating closely with each other in their struggle for safeguarding peace against imperialism and for building socialism. The friendly and cooperative relations between Korea and the GDR which have constantly made a favorable development in the past days have been further strengthened through mutual visits of the leaders of the two countries.

The last year's visit of the great leader Comrade Kim Il-song to the GDR and the Korean visit of Comrade Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the State Council of the GDR, in 1977 were of great significance in developing the friendly and cooperative relations between the two countries to a new, higher stage.

The treaty of friendship and cooperation signed between the DPRK and the GDR has made a great contribution to further consolidating the relations of friendship and cooperation existing between the two countries and accelerating their socialist construction. The Korean people wish the GDR people greater success in their endeavours to greet the 11th Congress of the Socialist Unity Party of Germany with shining fruits in their work.

KIM IL-SONG'S 1939 VISIT TO LAKE SAMJI NOTED

SK041245 Pyongyang KCNA in English 0404 GMT 3 Oct 85

[Text] Pyongyang October 2 (KCNA) — Lake Samji is a natural lake situated in Samjiyon County, Yanggang Province, from where Mt. Paektu is visible. From olden times the lake has been called Samjiyon (Samjiyon means three lakes) because three lakes lie side by side. It has been told that Lake Samji came into being when a river flowing at the foot of Mt. Paektu was blocked by the lava from Mt. Paektu.

The lake is [figure indistinct] kilometres round and 3 metres deep and over 1,580 metres above the sea level. The bottom of the lake and its surrounding area are all covered with pumice stones and water is clear and clean. The lake is surrounded by a white beach. Around the lake there are many trees including larch trees and birches and rare animals.

Lake Samji is associated with the imperishable revolutionary feats of the great leader President Kim Il-song. He stayed there for a short while during his advance, commanding a unit of the Korean People's Revolutionary Army, into the Musan area of the homeland in May 1939 in the period of the anti-Japanese revolutionary struggle.

Today the area of the lake has been turned into an open-air revolutionary museum. Groups of sculptures, a revolutionary monument and stones bearing epitaphs with a bronze statue of President Kim Il-song erected against the background of Mt. Paektu in the centre are standing by Lake Samji. There is also the Samjiyon Revolutionary Museum. Besides, there are recreation homes giving the emotion peculiar to the northern area.

MEETING DISCUSSES KIM IL-SONG'S ON-SPOT GUIDANCE

SK080731 Pyongyang KCNA in English 0612 GMT 8 Oct 85

[Text] Pyongyang October 8 (KCNA) -- A meeting was held at the Chollima steel complex (former Kangson steel complex) on October 7 to mark the 40th anniversary of the great leader President Kim Il-song's on-the-spot guidance to the complex.

The reporter said: 40 years ago, on October 9, 1945, President Kim Il-song, who had returned home in triumph after liberating the country by organising and leading the anti-Japanese revolutionary struggle to a brilliant victory, took the road of on-the-spot guidance, before having time to rest from the fatigue of the protracted bloody anti-Japanese war, and called on the workers of Kangson first before going to Mangyongdae, the native place which he had longed for, although it is within a calling distance.

October 9, the day when the great leader had the first meeting with the workers was a meaningful day when the working class who became the master of the country and the factory started a great struggle to hew out its destiny by itself under the revolutionary banner of chuche and when a new history of iron started in our country, the reporter stressed. He continued: the great leader, attaching much importance to the development of the country's metal industry, visited the complex in each period of the developing revolution to indicate a concrete direction and ways to turn it into a leading chuche-based metallurgical base, and showed all sorts of paternal affection and care to the workers here. Indeed, the road of on-the-spot guidance given by the great leader many a time is associated with the imperishable efforts he made for the development of the chuche-based metallurgical industry and is brilliantly adorned with the history of trust and love he showed for our working class.

The reporter stressed that dear Comrade Kim Chong-il who is translating the lofty intentions of the great leader into a brilliant reality, put up the working class and has wisely led it to effect leaps ceaselessly in the production and construction.

BRIEFS

NAVY DELEGATION RETURNS FROM USSR -- Pyongyang October 4 (KCNA) -- The friendship delegation of the Navy of the Korean People's Army headed by Senior Vice-Admiral Kim Il-chol, commander of the KPA Navy, came back home on October 3 after visiting the Soviet Union. The Chinese delegation of the control and supervision of quality, the Czechoslovak state song and dance ensemble and the ballet troupe of the GDR Dresden state opera theatre left Pyongyang on the same day. [Text] [Pyongyang KCNA in English 0446 4 Oct 85 SK]

FISHING BOAT 'KIDNAPPED' BY NORTH PATROL BOAT

SK070148 Seoul Domestic Service in Korean 0100 GMT 7 Oct 85

[Text] The Office of Fisheries Administration announced this morning that ("Kyeyong No 2"), a 86.36-ton ship from Pusan, with a crew of 12 including captain (Pak Song-chu), 40, was forcibly kidnapped by a North Korean puppet patrol boat at about 2000 yesterday [1100 GMT] while fishing in high waters 41 miles west of Paengnyong Island.

The Office of Fisheries Administration revealed that the ("Kyeyong No 2"), which was fishing in the high waters near the northernmost boundary, was kidnapped after a heavily armed North Korean puppet patrol boat appeared out of nowhere and ordered the ship to turn northward, threatening to fire on it.

In the meantime, a government authority stressed that the North Korean puppets' inhuman act of forcibly kidnapping our unarmed fishing boat, which was peacefully operating in the high waters, was a wicked plot, meticulously planned in advance in pursuit of its persistent goal of not only crimping the conference of the IBRD/IMF being held in Seoul, but also frustrating the 1986 Asian Games and 1988 Seoul Olympics and undermining the international prestige of Korea, which has disconcerted the North Korean puppets so far by letting the world know that tension is being built up on the Korean peninsula. This government authority also strongly called on the North Korean puppets to immediately stop committing such provocative and inhuman barbarous acts incongruous with the ongoing North-South talks and to return our fishing boats and crews, including ("Kyeyong No 2"), which they have forcibly kidnapped and have not extradited thus far, at an early date for humanitarian considerations.

WORLD BANK TASK FORCE, DEVELOPMENT COMMITTEE MEET

Task Force Issues Report

SK070715 Seoul YONHAP in English 0646 GMT 7 Oct 85

[Text] Seoul, Oct. 7 (OANA-YONHAP) -- In considering the matter of development aid, the task force on concessional flows of the World Bank's Development Committee focused on three main areas -- effectiveness, public support and volume, according to the task force's final report, released on Monday.

Following an extensive inquiry into the past use of development aid, the task force, which was established in 1982, concluded that most of the aid has been productive and helpful. There is considerable room for improvement, however, in the way in which aid is provided by donors and used by recipients, the report added. To enhance the effectiveness of aid, the task force called for more effective "policy dialogue" between donors and recipients.

After analyzing the results of a survey conducted in donor countries, the task force concluded that public support for aid should be strengthened. The assignment of priorities by political leaders for the use of aid is an important factor in explaining public support for substantial increases in aid to a number of countries, according to the final report. The task force also concluded that development education programs set up by non-governmental organizations (NGO's) are particularly important, and it said that bilateral and multilateral aid agencies should work closely with these organizations. The volume of aid is expected to grow at an annual rate of only about 2 percent, in real terms, during the rest of this decade, the task force said.

It appealed to donor governments to "exert redoubled efforts to increase the supply of official development assistance, as a matter of urgency." The report also said that there is no escaping the need for reliance on traditional, appropriated concessional aid from the budgets of donor governments and that such aid should be increased beyond the amounts currently envisioned.

The task force, which comprised nine industrialized and nine developing countries, was chaired by John P. Lewis, a professor of economics and public affairs at the Woodrow Wilson School of Public and International Affairs, Princeton University. The task force report was released on the eve of the 40th General Assembly of World Bank and IMF.

Development Committee Communique

SK071352 Seoul YONHAP in English 1332 GMT 7 Oct 85

[Text] Seoul, Oct. 7 (OANA-YONHAP) -- The Development Committee, the advisory panel for the World Bank, Monday expressed its strong support for a substantial expansion of the World Bank's lending program in order to respond more effectively to the needs of its borrowing members and to stimulate capital flows from other sources.

During the 27th meeting of the Development Committee, the participants reviewed the response of World Bank management to its request for five-year projections of bank lending, that is, a three-year lending program (FY86-88) of 40-45 billion U.S. dollars, rising to an annual level in FY 90 of between 16.5 billion and 20 billion dollars, a joint communique issued at the end of the meeting said. The development committee was chaired by Ghulam Ishaq Khan of Pakistan. World Bank President A.W. Clausen and IMF Managing Director J. de Larosiere were also on hand at the meeting at the Seoul Hilton Hotel. The participants, expressing appreciation for the report of the task force on concessional flows, underlined the consensus reached on aid effectiveness, public support for aid and aid volume, the 16-point communique said.

The committee called on the World Bank to take the lead in following up on the task force's conclusions and to report to future Development Committee meetings on progress achieved. The committee, according to the communique, recalled its agreement reached last April that for the low-income countries, increasing ODA (Official Development Assistance) flows deserves the highest priority and expressed its support for the task force report.

The committee urged that a successful and adequate eighth replenishment of International Development Association (IDA-8) be achieved by September 1986 and stressed the importance of closer collaboration between the IMF and the World Bank while avoiding cross-conditionality. The committee noted the report from the IMF managing director concerning the constructive discussions that had taken place in the Interim Committee on the use of IMF trust fund reflows and welcomed the initiatives that would concentrate the use of those resources in low-income countries with protracted balance of payments problems in support of programs to promote structural adjustment and growth in a medium-framework.

The joint statement urged the World Bank and the IMF to further strengthen their cooperation in developing sound and consistent advice on policies designed to reduce poverty and promote growth in these countries. Pursuant to the consensus reached at the April Development Committee meeting, the executive directors of the World Bank had prepared the draft convention establishing the Multilateral Investment Guarantee Agency (MIGA), designed to enhance the flow of capital and technology for productive purposes to developing nations. Most members of the committee expressed the hope that the convention would be signed and ratified by interested members in the near future in order to enable the agency to start operations as early as possible.

The agency will be in operation when at least five advanced nations and 15 developing nations join and make part of the initial capital subscription.

Welcoming the unanimous agreement recorded in recent discussions in the GATT concerning preparations for the proposed new round of multilateral trade negotiations, the committee renewed its call for all governments to resist recent protectionist trend. It welcomed the commitment of the Interim Committee chairman to communicate with the chairman of the Development Committee with a view to seeing to what extent arrangements could be made for cooperation on matters pertaining to development.

In conjunction with Mexico's tragic earthquake, ministers urged the international community to give its strong support to ease the effects of the national disaster. The committee agreed to hold its next meeting on April 10-11, 1986 in Washington, D.C. for an extended session.

Officials Comment

HK071610 Hong Kong AFP in English 1554 GMT 7 Oct 85

[Text] Seoul, Oct 7 (AFP) -- The United States continued dragging its feet today over a capital increase for the World Bank, but joined other industrial and developing nations in stressing the bank's "increasingly important" role in efforts to restore growth in the Third World.

Ministers representing both groups of countries on the Development Committee of the International Monetary Fund (IMF) and the World Bank unanimously agreed it would be impossible for heavily-indebted countries to service their debt "except in the context of growth," the committee chairman, Ghulam Ishaq Khan of Pakistan, told reporters. He was commenting on a communique issued by the panel after day-long talks in which U.S. Treasury Secretary James Baker refused to yield to pressure for a clear-cut go-ahead for an increase in the World Bank's capital.

Mr. Baker has said he plans to explain his ideas on how to deal with the problem of Third World debt to the joint annual meetings of the IMF and the bank which open here tomorrow.

The communique said the committee gave "strong support for a substantial expansion of the bank's lending program" to enable it to "respond more effectively to the needs of its borrowing members" and to "stimulate" the flow of capital from other sources. It said the ministers agreed that the bank "should be provided with the capacity to increase its quality lending" and that it "should not be constrained by lack of capital or borrowing authority in meeting future demand" for loans.

The ministers asked the bank to begin discussions with its Executive Board on ways to "meet its resource requirements over the next five years, including the possibility of a general capital increase", and to report back to the development committee next April. World Bank President Alden W. Clausen said the bank was not short of cash at present, but would need more capital in financial year 1987.

The bank, officially known as the International Bank for Reconstruction and Development (IBRD), reported loan commitments totalling 11.4 billion dollars in its fiscal year 1985. The bank's management has projected an increase in lending to 40 to 45 billion for the three-year period up to 1988 and a further increase to an annual level of 16.5 to 20 billion by 1990.

The committee reaffirmed that increased flows in official development assistance to low-income countries "deserve the highest priority". It welcomed the setting up earlier this year of the bank's special facility for Sub-Saharan Africa.

The panel called for a successful and adequate replenishment of the International Development Association (IDA), the World Bank's affiliate specializing in "soft" credits, by next September, in line with the timetable agreed by donor countries here on Saturday. Informed officials said the vaguely-worded reference in the communique to an IBRD capital increase in effect established a timetable for a negotiating procedure. They said the immediate priority must be to clinch agreement on the funding of IDA as from mid-1987. They said Mr. Baker could not easily give the go-ahead for simultaneous talks on increased U.S. contributions to two multilateral institutions with an election year ahead.

LEADERS, OFFICIALS ADDRESS WORLD BANK SESSIONS

World Bank President to Board

SK071155 Seoul YONHAP in English 1111 GMT 7 Oct 85

[Text] Seoul, Oct 7 (OANA-YONHAP) -- World Bank President A.W. Clausen Tuesday urged the developing and industrialized countries to implement policy reforms that will enable them to actively participate in efforts to liberalize and to strengthen the world trading system. He said that developing countries must reform their policies in a way that will promote the adequate flow of capital for their development efforts. Industrial nations, he said, must also implement policy reforms, especially in fiscal matters, to bring about a more liberalized and reinforced global trading system.

The World Bank president made the remarks in an address to the World Bank's Board of Governors and the International Finance Corp. (IFC) here. He said that the ability to achieve sustained growth over the next five years will depend on the establishment of a liberal international trading environment, characterized by a reduction in trade barriers in both industrialized and developing nations. Greater access to markets could be achieved if trade liberalization measures are agreed upon in a new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT), he said.

As the world stands at the threshold of an economic transition from recovery to sustained growth over the next five years, Clausen said, industrialized and developing countries alike must adopt policies that firmly set in place non-inflationary growth. The industrialized countries, he continued, must work to restore monetary and fiscal balance, in order to enhance their growth prospects and to pave the way for lower interest rates, which would have a direct beneficial impact on the severe debt servicing problems that afflict many developing countries.

"Furthermore, the industrial nations must, amongst other measures, act to ease rigidities in their labor markets to reduce high unemployment and to help stimulate new industrial capacity," Clausen said. "Stronger economic growth should help these nations to resist protectionist pressures and to build a more open international trading environment." Clausen said. He said that 1985, the mid-point of the 1980s, marks a shift from the rigors of austerity to the revival of development and growth. The World Bank could play a vital role in the transition from recession to sustained economic growth, he added.

The World Bank president said that a resolution to establish a Multilateral Investment Guarantee Agency (MIGA) has been submitted to the IBRD. The MIGA, he said, could fulfill a vital need for improving global investment conditions by promoting more comprehensive coverage of non-commercial risks to foreign investors in developing countries. "MIGA responds both to developing country needs for increased foreign capital flows for development purposes and the concern of investors, from developed and developing countries alike, that their investments be protected against non-commercial risks," he said.

In several Asian countries, Clausen said, economic performance has been very good, especially against the background of recession. In those countries, the World Bank has continued to emphasize lending for traditional projects involving agricultural development, human resource infrastructure and the alleviation of poverty, but it has also supported adjustment measures, he said.

"In India, for example, the bank lent over 1.2 billion dollars during 1980-85 for developing oil and gas resources -- which helped increase the share of domestic oil production from around 40 percent of total consumption in 1980 to about 75 percent in 1985," Clausen said. It may be helpful to recall, he added, that global interdependence has increased greatly, as a result of the rapid growth of international trade, capital flows and debt. "While that interdependence tends to increase efficiency and growth, it has also made economic management much more complex, placing a higher premium than ever on confidence," he said.

To promote cooperation within the international community in restoring confidence, Clausen said that the following condition must be met:

- Creditors must become confident again that debt can be serviced.
- Investors must become confident that price relationships accurately reflect fundamental economic realities, rather than changeable administrative or political biases.
- Developing countries must remain confident that their adjustment efforts will be supported.

Clausen said that the expansion of the lending program will be crucial for middle-income borrowers, who will turn more and more to the World Bank, in the absence of growth among other financial resources. "We must be able to assure them that adequate financial support from the World Bank will be available in the years ahead, as we urge them to undertake adjustment programs which will require several years to implement," he said. "Discussions with our shareholders on the specific features of a capital increase will be needed to proceed in the months ahead, so that we are ready with a specific capital increase request in time to avoid disruption of lending plans," he added.

In defense of a strong and swift endorsement of the World Bank's capital increase request, the World Bank president said it is fundamentally wrong that the difficult and volatile economic environment of the past five years and the declining incomes of many countries have created the impression for some that the development process offers no hope for the future. "Despite setbacks and despite the many financial problems, there has been real development progress in recent decades," Clausen said. "Economic growth has taken place, and living standards have improved...development assistance has been effective." These accomplishments are not grounds for complacency, however, he said. He pointed out that hundreds of millions of people still live in absolute poverty and that almost three-quarters of a billion people are under-nourished. Population growth is still beyond sustainable levels in many countries. "So our task in the years ahead is not merely to resume growth, not merely to assure that this growth is on a sound, sustainable basis -- important though that is," Clausen said. "Our task is more complex, the challenge more taxing."

The World Bank president continued: "Of this I am more than ever convinced, and to this I am more committed than ever before: We -- all of our member-countries and we in the bank -- must assure that growth in the developing countries is accompanied by progress to alleviate poverty; that a resumption of growth in investment in new productive facilities and infrastructure is accompanied by expanded investments in education and social services."

Clausen said, "We must redouble our efforts in the low-income countries -- in Africa and Asia -- to end their stagnation and to allow the peoples of these countries to look to the future with hope."

Secretary Baker on GATT, MIGA

SK071257 Seoul YONHAP in English 1244 GMT 7 Oct 85

[Text] Seoul, Oct. 7 (YONHAP) -- U.S. Treasury Secretary James Baker III Monday called for support for a new GATT round of trade negotiations and the Multilateral Investment Guarantee Agency (MIGA). In a statement delivered at the Development Committee of the International Monetary Fund (IMF) and the World Bank, Baker said that two current policy initiatives -- a new GATT round and MIGA -- "hold great promise for enhancing future growth and deserve our enthusiastic support."

Stressing that a free and open trading system is "absolutely essential for sustained economic growth," the U.S. secretary said that a new GATT round of trade negotiations on goods and services is "our best hope for halting protectionism and expanding trade opportunities for all of our countries." Pointing out that success in the negotiations for a new GATT round depends on the widest possible participation by the developing countries, Baker said "I therefore urge all of you to lend your active support to the new round." Referring to the projected establishment of MIGA, Baker said that there is a pressing need for developing countries to rely less on borrowing for external capital and more on equity flows such as foreign direct investment. "In addition to easing the long-term debt burden, these capital flows also convey the advantages of technology transfers and managerial know-how -- essential ingredients of economic development," he said. The MIGA, he continued, should play an important role in increasing this type of financing for developing countries, both through promotion of sound investment policies and direct insurance activities.

On the role of the World Bank, Baker said that the bank should continue to enhance its role in the development of the private sector. He added that the bank should seek to assist, both in a technical and financial capacity, those countries which wish to divert some of their state-owned enterprises.

In conclusion, Baker said that further action is needed on the part of both developed and developing countries to promote sustained economic growth, to maintain necessary flows of capital, and to preserve and expand open markets.

Chon Tu-hwan Welcoming Speech

SK080317 Seoul YONHAP in English 0302 GMT 8 Oct 85

[Text] Seoul, Oct. 8 (OANA-YONHAP) -- South Korean President Chon Tu-hwan Tuesday emphasized the need for "greater cooperation through fair competition" among the nations of the world in establishing a new international economic order. In the highly interdependent international community, a nation cannot manage its economy without taking into account its economic relations with other countries, nor can it afford to ignore developments outside its own borders, Chon said.

In a welcoming address to the opening session of the 40th annual meeting of the World Bank (IBRD) and International Monetary Fund (IMF), the president urged all nations to "give up their obsession with narrow self-interests," in order to establish a new world economic order based upon the principle of mutual benefits, equality, reciprocity and fair competition.

Chon cited the growing global trend toward protectionism as one of the major causes of the critical debt problems facing many developing countries. "As long as these protectionist barriers continue to increase, there is little hope that developing countries will be able to find a fundamental solution to their debt problems," he said.

The external debt problems will be a major item on the agenda of the annual IBRD/IMF conference, scheduled for Oct. 8-11. South Korea, one of the largest debtor nations in the world, had accumulated more than 4.5 billion U.S. dollars in outstanding loans at the end of the first half of this year. Comparing the current problems of the global economy with the conditions that prevailed in the days preceding the great depression of the early 1930s, Chon warned that world financial markets will "break down" if indebted nations are unable to earn enough foreign exchange to make their foreign debts serviceable. Korea is one of the targets of a growing trend toward protectionism, especially in the United States, which accounted for 35.8 percent of Korea's total exports last year, totaling 10.5 billion U.S. dollars. More than 40 percent of Korea's exports to the U.S. market face various protectionist measures. Chon said that industrially advanced countries have a great responsibility for re-establishing a healthy world economy. "These countries have an obligation to maintain the international monetary system, to coordinate their economic policies and to defend the free trade system," he said. He also emphasized the need for cooperation between the "early starters" and the "latecomers." The more advanced developing countries should share their development experiences with the less developed countries, Chon said.

The president also stressed the need for cooperation between developed and developing countries and between developed and newly industrialized countries. "The newly industrialized countries play a vital and dynamic role in the world economy. They should not be penalized for their good performance. Developing countries can complement the world economy by serving as a growing market. Giving encouragement and support to all these countries is in the enlightened self-interest of all, including advanced countries," Chon said. Chon continued: "The hallmark of the renewed economic order should be trust instead of suspicion, sharing of burdens and responsibilities instead of shirking them, and, above all, efforts to keep the market open."

IMF Managing Director Speaks

SK080346 Seoul YONHAP in English 0315 GMT 8 Oct 85

[Text] Seoul, Oct. 8 (OANA-YONHAP) -- Jacques de Larosiere, managing director of the International Monetary Fund (IMF), urged the industrial countries Tuesday to take the lead in defusing trade tensions being touched off by growing protectionism and in strengthening the multilateral system based on the GATT. Speaking at the 40th annual joint meetings of the IMF and the World Bank here, Larosiere said that of all the potential threats to the international economic system, none is as disturbing as that of protectionism.

"Protectionism addresses the symptom of a problem, not the cause, by dealing only with the symptom, it makes the underlying problem worse," he said. Larosiere said protection is not the answer to increased import penetration. It simply protects certain specific industries from foreign competition to the whole detriment of the whole economy, he said. "Moreover, by appearing to ease the difficulties of the affected sectors, it relieves the pressure for correcting the underlying imbalances and thus holds up structural change," the head of the IMF said.

"If protectionism were to intensify, a cumulative contraction in demand, reinforced by the competitive use of restrictions and subsidies, could result," he said, adding the consequences would not be limited to these direct effects on merchandise trade flows.

Larosiere said the world economy in the past year has displayed a combination of notable progress in certain areas and growing uncertainties in others. On the positive side, Larosiere went on, inflation in industrial countries has receded further and economic recovery has continued. While heavily indebted countries have reduced their external deficits and a number of them have reversed the decline in their domestic output. Among the negative developments are the slowing of growth in the industrial world, which has been accompanied by a weakening of commodity prices, and the persistence of strong inflationary pressures in many indebted nations, he said. "The critical challenge now is to firm up the path of durable expansion in the world economy," Larosiere said.

Regarding to developing countries, the IMF leader said that they have achieved a great deal in the past three years, especially in restoring more viable external positions, although efforts toward adjustment must be continued if the gains on the external front are to be consolidated. "Despite these encouraging developments, major challenges have to be met if the momentum of development is to be accelerated and sustained," he said. Larosiere noted that the recent slowing of growth in the industrial world has been reflected in reduced growth of developing countries' export volumes together with a weakening in primary commodities prices. Larosiere said his assessment of the medium-term prospects of developing countries suggests that as a group they should be able to achieve domestic output growth of 4.5 to 5 percent annually while reducing significantly their external debt ratios. Needless to say, this overall picture obscures a wide variation in prospects as between different regions and countries, with some countries facing limited, if any, per capita income growth," Larosiere said.

As far as the world economic environment is concerned, he went on, a major requirement for an acceleration of growth in developing countries is that the pace of expansion in the industrial nations is maintained, on average, at around the estimated growth of their productive potential of three percent. "In addition, it is essential that developing countries' exports have access to industrial country markets and that financing conditions are satisfactory. This underlines the critical importance for the world economy of the quality of macroeconomic policies in industrial countries as well as of firm resistance to protectionist pressures," he said.

Meeting Chairman Speaks

SK080559 Seoul YONHAP in English 0504 GMT 8 Oct 85

[Text] Seoul, Oct 8 (OANA-YONHAP) -- Mamoudou Toure, chairman of the joint general meeting in Seoul of the World Bank and International Monetary Fund, Tuesday called upon industrialized countries to reduce deficits and the rigidities in their economies so as to ensure broader recovery of the world economy. Noting that the world economy is at an important turning point, he said, "its course will depend basically on the effectiveness and the convergence of the economic policies of the industrial countries in promoting sustained noninflationary growth sheltered from the protectionist pressures that have developed in recent years."

In his opening address to the 40th annual meeting that opened here today for a four-day run, Toure said serious domestic and external financial imbalances in industrialized countries have "unfortunately" intensified protectionist measures and contributed to the continued high interest rates throughout the world.

Toure, economic and finance minister of Senegal, said that the recovery of the world economy that began in 1983 continued through 1984 with a rate of growth significantly higher than that of the previous year. In the year ahead, however, both industrialized and developing countries are not likely to experience such a satisfactory growth rate again in view of recent developments, he said. "The recovery is not uniform throughout the world. Its characteristics and its intensity vary significantly from one country to the next, and it remains fragile," he continued. Toure, who will chair the four-day IMF/IBRD plenary session at Seoul's Hilton Hotel, said that the developing countries will not be able to expand their exports, restore their credibility and diversify their output if they must cope with the protectionist policies of the industrialized countries. Citing the projections of the IMF and World Bank, he warned that there is "a serious risk of a return to the virtual stagnation that marked the early 1980s" if the developed countries fail to take the proper economic policy choices. Toure stressed that the task ahead is that all participating countries to unite their efforts and work together to achieve "the conditions required for sustained growth and harmonious development throughout the world." "The next few years will be crucial and decisive for determining whether the world economy will move into a period marked by prolonged and lasting growth, or toward a return to the acute crisis that characterized the 1970s and 1980s," he said.

Referring to the role of the IMF, he said, "it is important for the International Monetary Fund to bring its authority to bear in persuading the industrial countries to implement suitable economic policies." In particular, he said, the fund should spare no effort in encouraging the industrial countries to roll back and subsequently give up their protectionist policies. The IMF also should support developing countries, which need adjustment to restore the "conditions required for a healthy resumption of economic growth," he added.

Regarding the establishing of the Multilateral Investment Guarantee Agency (MIGA), Toure said that MIGA will help increase flows of capital and technology to its member countries by helping to disseminate information on investment issues and providing technical assistance and advice to them. "In cooperation with national financial institutions, it will provide an important forum for cooperation between capital-borrowing and capital-exporting countries," he continued. Stressing the need for more concerted and systematic action of the two world financial institutions, Toure called on the participating countries to take an active part in the coordination of the activities of the International Monetary Fund and the World Bank.

FINANCE MINISTER MEETS OFFICIALS TO IMF MEETING

Discussion With IMF Director

SK041205 Seoul YONHAP in English 1025 GMT 4 Oct 85

[Text] Seoul, Oct. 4 (YONHAP) -- South Korean Finance Minister Kim Man-che and Jacques de Larosiere, managing director of the International Monetary Fund (IMF), Friday discussed how to strengthen mutual cooperation between Korea and the IMF. They also exchanged views on Korea's overall economic situation and its economic policy. Kim will head the Korean delegation to the annual joint IBRD/IMF meeting, scheduled for Oct. 8-11 in Seoul.

In a later meeting, Kim and Mamadou Toure, chairman of the Seoul conference, promised to make the meeting a success. Toure came here Thursday to attend the four-day general meeting here.

Earlier Friday, B.N. Diaye of Senegal, president of the African Development Bank, called on Kim. They discussed ways to enhance economic cooperation between Korea and African nations.

Fujioka Masao, president of the Asian Development Bank (ADB), also paid a courtesy call on Kim. They exchanged views on the possible increase of capital from Korea to the ADB and other matters of common interest.

Meets Japanese Counterpart

SK050955 Seoul YONHAP in English 0836 GMT 5 Oct 85

[Text] Seoul, Oct. 5 (YONHAP) -- South Korean Finance Minister Kim Man-che and his Japanese counterpart Noboru Takeshita Saturday exchanged views on a wide range of matters of mutual concern, including two-way trade between Tokyo and Seoul. They met at Kim's office here to discuss how to redress the trade imbalance currently in deep disfavor of South Korea. A Korean Ministry official said that Kim told Takeshita the Japanese Government should help Korea to receive some special loans awarded by the Asian Development Bank.

Earlier in the day, the Korean minister met with Switzerland's Finance Minister Otto Stich on ways to improve bilateral economic cooperation which includes exchanges of technology and skilled manpower. In a third reception, Kim had talks with President Antonio Ortiz Mena of the International Development Bank (IDB). The Korean official said that Kim expressed the hope South Korea will be an IDB member in the near future.

Meanwhile, South Korean Finance Ministry officials attended a conference of the International Development Association held at the Hilton Hotel in downtown Seoul to join forces with other developing nations in urging industrialized countries to provide the most backward states with more concessionary financial supports to the development projects.

Meets U.S. Treasury Secretary

SK060800 Seoul YONHAP in English 0719 GMT 6 Oct 85

[Text] Seoul, Oct. 6 (OANA-YONHAP) -- South Korean Finance Minister Kim Man-che and U.S. Treasury Secretary James A. Baker met Sunday at the Hilton Hotel here, where they discussed pending economic and trade issues between Korea and the United States. Baker is in Seoul for the 40th annual joint meeting of the World Bank (IBRD) and the International Monetary Fund (IMF), scheduled for Oct. 8-11. In the meeting, Kim said that the United States should take a leading role in revitalizing the world economy by alleviating its protectionist trade measures. Kim also called for U.S. cooperation in dealing with bilateral trade problems, and said that the U.S. Government should abandon its efforts to restrict the import of major Korean products and its demands that Korea open its market to U.S. products. The Korean finance minister fully explained his government's positions on those matters, as well as Korea's economic situation to the U.S. treasury secretary.

Later in the day, Kim held discussions with the finance ministers of Bangladesh, Finland, and Mexico, concerning how to strengthen bilateral economic cooperation.

POLICE ARREST 30 PLANNING TO DEMONSTRATE OVER IMF

OW080929 Tokyo KYODO in English 0837 GMT 8 Oct 85

[Text] Seoul, Oct. 8 KYODO -- Police placed about 30 South Koreans under house arrest Tuesday for planning a street demonstration opposing a joint session of the International Monetary Fund (IMF) and the World Bank. They included the Rev. Mun Ik-hwan, one of the best known South Korean dissidents, according to police. The rally was organized jointly by a group headed by the Rev. Mun and the National Federation of Students Associations also to protest president Chon Tu-hwan's government which the dissidents claim is heavily dependent on loans from other countries. The joint session began in a Seoul hotel Tuesday to discuss external debts of developing countries and other problems.

UN COMMAND COUNTERPROPOSES 14 OCT FOR MAC MEETING

SK080031 Seoul THE KOREA TIMES in English 8 Oct 85 p 8

[Text] The United Nations Command counterproposed yesterday to the North Korean Military Armistice Commission that the 475th meeting of the MAC secretaries convene at 11 a.m. Oct. 14 at the truce village of Panmunjom. In a meeting sent to his northern counterpart, the UNC senior MAC member said the UNC was encouraged by the North Korean proposal on Oct 4 which "expressed a desire to narrow the gap between the views of our two sides in respect to finding mutually agreeable measures for the reduction of tensions in the Joint Security Area (JSA) as well as in the Demilitarized Zone." The message was passed via the JSA duty officer yesterday. The North Korean side proposed four days ago that the secretaries meet today. The MAC secretaries will have a closed-door session. Pressmen and guests will be excluded from the JSA during the meeting and all loudspeakers will be turned off.

YI WON-KYONG, SHULTZ DISCUSS EASING TRADE TENSION

SK040208 Seoul THE KOREA TIMES in English 4 Oct 85 p 1

[Text] New York -- Foreign Minister Yi Won-kyong and U.S. Secretary of State George Shultz shared the common view here Wednesday (Thursday KST) that the frictions in the bilateral economic ties should be settled through expansion and balancing of the trade volume. They failed, however, to narrow differences in their views on concrete steps that may lead to easing the sharpest-ever trade tension, holding on to their countries' existing positions. The Yi-Shultz talks took place at the U.N. Plaza Hotel. Both are attending the 40th session of the U.N. General Assembly. According to Korean sources present at the talks, Secretary Shultz conveyed the protectionist sentiment which is gaining ground in the United States against the huge trade deficit and the federal financial deficiency.

Minister Yi, the sources said, pointed out the need to consider the large defense outlay, the growing foreign debts and the export-oriented economic structure of Korea. Noting with concern the U.S. congressional moves for protectionist measures which aroused strong repercussions from Korean economic circles, Yi told Shultz that such a protectionist tendency "may adversely affect overall relations." On the inter-Korean question, Yi and Shultz held the view that the question on the Korean peninsula should be found in the course of direct dialogues between south and north Korea, the sources said. Yi reaffirmed the Seoul government's position to further pursue the inter-Korean dialogue with perseverance and Shultz aired "deep understanding and all-out support" for Korea's policy, the sources said.

PROPAGANDA COMMISSION DOCUMENT ON ACHIEVEMENTS

BK041139 Phnom Penh SPK in English 1124 GMT 3 Oct 85

[Text] Phnom Penh SPK October 3 -- On the occasion of the upcoming Fifth Congress of the People's Revolutionary Party of Kampuchea, the party's Commission for Propaganda and Education wrote a document entitled: "Firm Advance of the Kampuchean Revolution on the Victorious Path." Herewith the full translation of the document:

I. -- Great Victories

1. Following their historic victory in overthrowing the genocidal regime of Pol Pot, Ieng Sary and Khieu Samphan on January 7, 1979 the Kampuchean people set up a people's republican regime, and regained their right as true master of their destiny and their country.

However, reactionary forces were still sticking to their dark designs. The Beijing expansionists, colluding with the U.S. imperialists and instigating ultra-rightist reactionaries in Thailand, did everything to help the Pol Pot clique strengthen their forces to oppose the Kampuchean revolution tooth and nail. Their intention was very sinister. In those first days of liberation, when the Kampuchean people were facing innumerable difficulties, when the revolutionary regime and the revolutionary forces were still quite young, they frenziedly pushed up military activities along the Kampuchea-Thai border while conducting general sabotage in the interior of the country and, at the same time, creating pressure in the international arena in the hope of hindering the revival of the Kampuchean people, sowing division between Kampuchea and Vietnam, isolating the People's Republic of Kampuchea from the rest of the world, and pressing for the withdrawal of the Vietnamese volunteer army, thereby tipping the scales in their favour so that they might carry out their plan of territorial annexation, toppling the revolutionary administration, and reinstalling their domination. Indeed, all their military, political, economic and diplomatic activities in the past seven years was aimed at these objectives.

Nevertheless, thanks to the devoted and very effective assistance of the fraternal army and people of Vietnam, the army and people of Kampuchea have defeated one counter-revolutionary move after another. Most resounding were the victories in the 1984-1985 dry season which caused the enemy their heaviest losses since January 7, 1979. Those victories have further weakened the enemy and accelerated conflicts and polarisation within their ranks. On the other hand, those victories marked the maturity of the Revolutionary Armed Forces in combat and the activeness of the people in contributing to the building of all-people defence, in protecting the gains of the revolution, in defending and consolidating the people's republican regime, thus taking revolution forward steadily.

2. Kampuchea's economy is a poor, backward one. Under Pol Pot, it was extensively devastated. After liberation, economic reconstruction began almost at scratch.

The most outstanding achievement has been the prompt restoration of agricultural, especially food, production. Despite serious shortage of manpower, haulage and farm tools during the first days of liberation, the peasants quickly organized themselves into more than 100,000 solidarity production groups to help one another in restoring production. They managed to plant two-thirds of the pre-war rice area, and total output in 1983 was two million tonnes, almost the equal of normal pre-war output. The peasants, through the solidarity production groups, have also embarked on collective production. Alongside the restoration of production, intensive farming was applied for the first time on 100,000 ha. Dry-season rice cropping made notable progress. The area covered 140,000 ha in years when the weather was good, a marked increase over the pre-war period.

Those efforts combined to ward off the danger of famine in 1979-1980. The health of the people, seriously impaired under the Pol Pot regime, was restored, social life became stable little by little, and the government was able to begin building a food reserve.

Animal husbandry has made much progress. In 1985, the cattle herd totalled two million head, increasing by one million head over 1979 and accounting for two-thirds of the pre-war figure.

Rubber plantation has been restored on almost half of the area, contributing in a major way to export and to domestic production.

The planting of industrial and subsidiary food crops is being restored, so is fishing. Backed by correct policies, these two branches tended to develop successfully.

Industrial production, however, remains difficult because of shortages of machine parts, raw materials, energy, expertise and skills. Nevertheless, 56 of the old 60 factories have been restored to meet part of the needs of domestic consumers. Moreover the party and the state have initiated policies encouraging the development of small industries and handicrafts in the cities and towns and other traditional trades in rural areas.

Commerce, capital construction, transport, communications and banking have been restored or built anew, and their effects can already be felt at different degrees in productive activities, social life in general.

3. Achievements in education, health care and culture are a particular pride of the people.

Education has been restored most rapidly. On an average, one of every four persons is going to school. Almost all communes are provided with primary schools to take care of 95 per cent of the children. Almost all districts now have junior-high schools and senior-high schools have been set up in 11 towns and provincial capitals. The whole country is provided with eight higher education and secondary technical institutions, and thousands of students have been sent to fraternal socialist countries for long-term training. Much attention has been paid to the elimination of illiteracy. Of the more than one million adult illiterates registered after liberation, about 70 percent can read and write now.

The health network, extended to communes, is playing a more and more active role in popularizing sanitary notions, prophylaxis and the treatment of common diseases. Hospitals in the towns and provincial capitals are staffed by doctors. Thanks to the stress on mother and child care, death rate has drastically decreased for infants and women in childbirth. Thousands of health workers have been trained to look after the people.

As the restoration of fine traditions of the national culture has been undertaken in conjunction with the building of a socialist culture, cultural development has made considerable progress. Professional art troupes have been formed in urban centers, and the art movement of the masses has been stepped up at city wards and villages. Cities and provinces have their own projection teams. Physical education and sports have also developed. The cultural service, while trying to meet increasing demands in the cultural life of the masses, also joins the information and publication services in propagating party and state policies.

On the whole, great achievements have been made during the past seven years. The gains of the revolution have been firmly preserved; enemy schemes of sabotage have been foiled one after another; the national economy has been rehabilitated; education, health care and culture have developed vigorously; and the life of the people has become more and more stable. It is true that there still are shortcomings in certain fields of activity. But given the great destruction and the innumerable difficulties in the first days of liberation when national reconstruction was beginning from scratch and amid frantic opposition of the enemy these achievements are truly great.

These successes demonstrate the great vitality of the nation. They prove that the revolution has left the most difficult years behind and is continuing its advance, that the People's Republic of Kampuchea has become stronger and stronger, that the people are strongly attached to the new regime and the situation in Kampuchea is irreversible.

II. Factors of Victory

1. The National United Front for the Salvation of Kampuchea was a factor that guaranteed the victory of revolution on January 7, 1979 and that mobilized the strength of the entire people for the defence and construction of the country. Revolution is the cause of the masses. Its successful development depends entirely on a correct political line and the conscious participation of the masses.

The National United Front for the Salvation of Kampuchea, with its correct political programme, mobilized large sections of the people throughout the country in an uprising which, together with the revolutionary armed forces and with the very effective assistance of the fraternal army and people of Vietnam, caused the downfall of the genocidal regime of Pol Pot, Ieng Sary and Khieu Samphan.

Following the liberation of the country on January 7, 1979, the National United Front for the Salvation of Kampuchea became known as the United Front for the Construction and Defence of the Kampuchean Fatherland. Rallying around it the various political organizations of the masses, it has gathered and encouraged people of all walks of life and all religions, nationalities in the whole country to take an active part in the three revolutionary movements to defend and rebuild the country.

2. The People's Republic of Kampuchea is a state in which the working people exercise their mastery in defending the national independence and rebuilding the country through a gradual transition to socialism.

The people's republican regime is one under which the working class is its own master. The P.R.K. is a state of the Kampuchean labouring masses. State institutions, such as the National Assembly and the People's Councils and people's revolutionary committees at all levels are directly elected by the labouring people through [words indistinct] [Phnom Penh SPK in French at 1218 GMT on 3 October carries a 3,000 word Propaganda Document on Achievements. This version has been compared with and found to be identical to the referent SPK English version, thus permitting the following clarification: democratic principles to represent the people in the management of the country. The People's Revolutionary Army is an army of the people, an instrument of violence of the new regime. It fights for the interests of the people, for the independence of the nation, and for the objectives of socialist construction at the national level. The constitution and many laws and decrees already promulgated are all aimed at defending the revolutionary gains, at organizing and mobilizing manpower and material resources for the cause of national defence and construction, and ensuring the right to mastery of the working people.

The new regime, therefore, has gained more and more confidence of the people and has prompted them to implement enthusiastically all state policies, thus taking the revolution from one victory to another.

3. A contingent of revolutionary cadres has been formed and has been consolidated continuously to act [words indistinct] [SPK in French provides the following clarification: in a way worthy of being] nucleus of the revolution.

The tasks of national defence and construction following January 7, 1979 gave rise to a great demand for cadres. The party lost no time in recruiting people who had suffered, who deeply hated the Pol Pot regime, who loved the country, and who were willing to serve the people. Those people, more or less educated and mostly youths of working-class backgrounds, were provided with necessary knowledge and then quickly deployed in different public services and at different echelons so as to meet the need of the moment.

Through seven years of training through practice and at schools and courses, many have matured and, trusted by the people, have become reliable members of the revolutionary movement. These people are a valuable asset of the revolution. They must be helped to improve themselves professionally and morally so as to be equal to their tasks in the new stage of the revolution and to help advance the movement.

4. Economic, cultural, and educational restoration is undertaken in the direction of socialism.

Different social regimes have different economic, cultural and educational systems.

Immediately after liberation on the basis of the policy of gradual transition to socialism, the task of economic restoration was combined with the establishment of new relations of production. Peasants were urged to work in solidarity groups -- a lower form of collective economy -- while a state economic sector was immediately formed, consisting of industrial enterprises, farms, rubber plantation, commerce, transport, communications and banking, all directly under state control. All this forms the initial material and technical bases of the new regime to ensure its economic strength, prevent the return of capitalist exploitation and ensure the working class' right to economic mastery. These institutions and services, though still weak in many respects, are beginning to play their roles effectively.

Culture and education are developing in the direction of socialism and together with the preservation and development of fine national traditions, actively contributing to building a new type of culture and socialist man -- a condition of paramount importance for the gradual advance of the country toward socialism.

5. Socialist international solidarity and the strategic alliance among the three Indochinese countries are consolidated and broadened in all domains. The struggle of the Kampuchean people is part and parcel of the struggle of all the three peoples of Indochina and the struggle of the world's people for national independence, democracy, peace and socialism. Therefore, militant alliance with the other two fraternal countries on this peninsula, especially Vietnam, and solidarity with all revolutionary and progressive forces in the world, particularly the Soviet Union and other socialist countries, constitute a strategic matter. History has clearly shown that the years when the militant alliance between Kampuchea and Vietnam and Laos and when the solidarity between Kampuchea and the socialist community were destroyed by the Pol Pot clique were also the darkest years in the history of the party and the nation.

Since liberation, the militant alliance among the three Indochinese countries has been restored and broadened in all fields with a new quality for the sole purpose of defending the national independence of each country and promoting the cause of socialist construction in each country. The solidarity and cooperation between Kampuchea and the Soviet Union and other socialist countries have also been restored and developed thus giving rise to conditions favourable to our revolutionary cause. The Kampuchean people, therefore, are determined to preserve forever this solidarity, this alliance, for they are vital to the cause of revolution.

6. The correct leadership of the People's Revolutionary Party of Kampuchea decides every victory of the Kampuchean revolution.

Under the Pol Pot regime, the party was thoroughly destroyed politically, ideologically and organizationally and was turned into an instrument of repression and terror. Following the victory of January 7, 1979, party members who had opposed the Pol Pot regime got together to rebuild the party into one with Marxism-Leninism in the spirit of the resolutions of the third and fourth party congresses. The remaining party members, though very small in number, but highly determined and with the assistance of their Vietnamese comrades, attached very great importance to the rebuilding of the party politically, ideologically and organizationally.

The party, basing itself on the stand of the working class and closely combined genuine patriotism with proletarian internationalism, elaborated a correct political line and correct domestic and foreign policies, as concretized in the political programme of the then National United Front for the Salvation of Kampuchea and in the resolutions of the third and fourth party congresses and the various plenums of the party Central Committee. These policies, as they truthfully reflect the aspirations of the people, are enthusiastically carried out by the masses and have resulted in important successes in national defence and national rebirth. [passage indistinct]

[SPK in French provides the following clarification: At the beginning, the party attached special attention to the education of party cadre and members concerning Marxism-Leninism, the political line, the tasks of the revolution, the position and viewpoints of the working class, and the virtues of revolutionary cadres... as well as the struggle against all nonproletarian tendencies.

[The party's organizational system was established all over the country from the central to the grassroots levels. The party reestablished the principle of democratic centralism and the collective labor system to fight individual dictatorship and the extremely dangerous abuse of power for the sake of internal unity, national unity, and international solidarity. Efforts were also deployed for the recruitment of new members, particularly at the grassroots level, so that the party can take root more firmly in the mass movements.

[The political, ideological, and organizational maturity of the party constitutes a principal factor enabling the Cambodian revolution to advance on the correct path, conforming with the aspirations of the people and with the trend of the time: independence and socialism.

[The above-mentioned six factors create the inherent force of the Cambodian revolution. They were forged through the struggle of the past 7 years and constitute lessons drawn from the same process. These six factors must be preserved and developed so that the country can win final victory in its cause of national independence and socialist construction.]

PHNOM PENH ON TRADE, ECONOMIC TALKS IN MOSCOW

BK030403 Phnom Penh Domestic Service in Cambodian 1300 GMT 3 Oct 85

[Text] The second session of the Soviet-Cambodian Intergovernmental Commission on Trade, Economic, Scientific, and Technical Cooperation was held recently in Moscow. The Soviet delegation was headed by Comrade Talyzin, vice chairman of the USSR Council of Ministers, and the Cambodian delegation by Comrade Chea Soth, vice chairman of the PRK Council of Ministers.

The two sides discussed matters regarding the further development of economic relations for the period 1986-90 between the Soviet Union and the PRK. They also examined the course of the fulfillment of obligations ensuing from the Soviet-Cambodian agreements on mutual deliveries of goods this year.

They also noted that following the first session, the two countries have made great efforts for the construction of various important factories and installations relation to electric power and agriculture and for the development of transportation and [words indistinct].

YOS POR RETURNS TO PHNOM PENH FROM USSR VISIT

BK051357 Phnom Penh Domestic Service in Cambodian 1300 GMT 5 Oct 85

[Text] After taking part in the celebration of the 60th founding anniversary of the Union of Soviet Associations of Friendship and Cultural Relations with Foreign Countries, at 1030 on 3 October the delegation of the Cambodia-USSR Friendship Association led by Comrade Yos Por, secretary general of the KUFNCD National Council and chairman of the association, returned home safely. Cadres from the front National Council and representatives of the USSR Embassy to Cambodia went to greet the delegation on its arrival.

BOU THANG GREETS CSSR DEFENSE MINISTER ON ARMY DAY

BK060503 Phnom Penh SPK in French 0406 GMT 6 Oct 85

[Text] Phnom Penh, 6 Oct (SPK) -- On the occasion of the 41st anniversary of the Czechoslovak People's Army day (6 October), Bou Thang, PRK national defense minister, sent a congratulatory message to General Milan Vaclavik, defense minister of the CSSR.

In his message Bou Thang, among other things, says:

"We appreciate the achievements scored by the Czechoslovak People's Army in its tasks of building and defending the nation under the just and [as received]. Czechoslovak people have constantly grown and become a modern army which, in collaboration with the forces of the socialist countries of the Warsaw Pact, has efficiently defended its western border.

"We will do our best to promote the bonds of friendship, solidarity, and cooperation in every field between our two peoples and Armed Forces in favor of peace and socialism." Minister Bou Thang finally wished his Czechoslovak counterpart health and success in his noble tasks.

MEM SAM-AN RECEIVES HUNGARIAN AGITPROP DELEGATION

BK050902 Phnom Penh Domestic Service in Cambodian 0430 GMT 5 Oct 85

[Text] On the afternoon of 4 October, Comrade Men Sam-an, member of the KPRP Central Committee and chairman of the Central Propaganda and Education Commission, received and had cordial talks at the office of the Commission with the delegation of the Agitation and Propaganda Department of the Hungarian Socialist Workers Party Central Committee led by Comrade Janos Barabas, deputy chief of the department.

On this occasion, Comrade Men Sam-An expressed warm greetings on the visit of the delegation to the PRK. The comrade said the delegation's visit was made at a time when the entire Cambodian party, Armed Forces, and people are enthusiastically taking part in the emulation movement to produce results to welcome the KPRP's forthcoming fifth national congress. The comrade also expressed moving happiness for the great

achievements scored by the Hungarian Army and people in every field under the just and clear-sighted leadership of the Hungarian Socialist Workers Party, particularly in building a prosperous economy to improve the people's living standards and in contributing to strengthening peace and stability in Europe and the world. The comrade chairman of the Central Propaganda and Education Commission also expressed sincere thanks to the Hungarian party, government, and people for their assistance and support to the rebirth of the Cambodian revolution.

Replying, Comrade Janos Barabas highly appreciated the allround development of the Cambodian revolution and particularly admired the brilliant victories of the KPRAF in close cooperation with the Vietnamese Volunteer Army in destroying the refuges of the Pol Pot, Son Sann, and Sihanouk cliques along the Cambodian-Thai border early this dry season. Along with this, the comrade head of the delegation fully supported every idea proposed at the 11th conference of the three Indochinese foreign ministers recently held in Phnom Penh. He considered these proposals as constructive and in accordance with the will of peoples in the region and also an important contribution to the cause for peace and security in all of Southeast Asia.

INDUSTRY MINISTRY DELEGATION LEAVES FOR HUNGARY

BK040946 Phnom Penh SPK in French 0411 GMT 4 Oct 85

[Text] Phnom Penh, 4 Oct (SPK) -- A delegation of the PRK Ministry of Industry left yesterday for a visit to Hungary at the invitation of the Hungarian National Council of Industrial Cooperatives. It was led by It Prang, deputy minister of industry.

SPK SUMS UP THAI INCURSIONS DURING SEPTEMBER

BK080518 Phnom Penh SPK in French 0410 GMT 8 Oct 85

[Text] Phnom Penh, 8 Oct (SPK) -- Thailand violated Cambodian territory 1,017 occasions during September. In the air, 55 reconnaissance flights by Thai aircraft, including F-5's, A-37's, L-19's, and OV-10's, were reported over Hills 547 and 581 (Preah Vihear), Anlung Veng (Siem Reap), and Poipet, Yeang Dangkum, Smat Deng, Thmar Puok, Ampil, Kamrieng, and O Da (Battambang). Particularly, on 4 September Thai F-5's intruded as deep as 15 km into Cambodian territory in the region of Yeang Dangkum which, more serious still, was the target of several strafings with 20-mm guns.

At sea, the Thai Navy carried out 799 incursions into Cambodia's territorial waters located between 4 and 23 nautical miles of Kong and Tang Islands.

On the ground, the Thai artillery 163 times pounded the regions of Yeang Dangkum, Mak Hoeun, Kop, Buor, Ta Samh, Pailin, and Kamrieng (Battambang); and Smat Deng and Route No. 56 (Pursat). During the same period, several reactionary Cambodian groups infiltrated across the border from Thailand into Cambodian territory for sabotage purposes. They were violently intercepted by the Cambodian border guards and local population who put out of combat 864 intruders and seized 250 rifles and a large quantity of war materiel.

SRV ARMY VOLUNTEER UNITS, EXPERTS DECORATED

BK050704 Phnom Penh Domestic Service in Cambodian 1200 GMT 4 Oct 85

[Text] Authorized by the Council of State, the Defense Ministry held a ceremony at the 2d Military Region Headquarters on the morning of 20 September to confer National Defense Medals on SRV Volunteer Army units and Vietnamese experts on proletarian internationalist mission in Cambodia. Attending the ceremony were Comrade Meas Kroch, deputy minister of national defense and chief of the General Political Department; Comrade Men Chhan, member of the Council of State and vice chairman of the KUFNCD

National Council; Comrade Sar Not, deputy minister attached to the Council of State and deputy director of the Council of State's Office in Charge of Emulation Movements; Comrade El Vansarat, deputy chief of the General Political Department; and many leading cadres and Cambodian and Vietnamese cadres. Also present was Comrade Vu Nha, military attache of the Vietnamese Embassy.

After Comrade (Sok Sarom), deputy chief of the 2d Military Region's Political Service, had read a decree of the PRK Council of State's decision to present the medals, Comrade Meas Kroch and other members of the presidium conferred National Defense Medals First Class on 11 Vietnamese Volunteer Army units; 5 Vietnamese volunteers, including 2 fallen combatants; and more than 100 Vietnamese experts.

After conferring the medals, Comrade Meas Kroch welcomed the 40th anniversary of the August revolution and Vietnam's National Day and expressed gratitude to the heroic Vietnamese Army volunteers and Vietnamese experts who have sacrificed their flesh and blood in carrying out their proletarian internationalist duties for the cause of the Cambodian revolution. Comrade Meas Kroch also noted: This medal presentation ceremony will further strengthen Cambodia-Vietnam solidarity even more firmly.

In his reply, a representative of the Vietnamese Volunteer and experts pledged to fulfill their proletarian internationalist duties and be worthy of the trust and aspirations of the two parties and states, and peoples of the PRK and Vietnam. The ceremony proceeded in a joyful and intimate atmosphere.

PHNOM PENH SAYS 688 ENEMIES KILLED IN BATTAMBANG

EK070628 Phnom Penh Domestic Service in Cambodian 0430 GMT 7 Oct 85

[Text] In 1985, security forces in Battambang Province expanded their activities in defending and building the fatherland and scored great victories in sweeping up and destroying enemy refuges along the Cambodian-Thai border. They have firmly safeguarded and ensured political security and social order in their locality. Furthermore, they have firmly built their units in every field with good practice and good fighting capability and have exceeded the planned production of food supplies.

In 1985, throughout the province, 688 enemy soldiers have been killed and another 623 wounded; more than 200 have been captured, and more than 200 weapons and a large quantity of war materiel have been seized. During the same period, our forces have implemented well the 6-point policy of the party and state to appeal to misled compatriots to return to the revolution. More than 2,000 have returned, bringing with them more than 800 weapons. Units of security forces in Battambang Province constantly expand the promotion of mass organization and closely bind themselves to the people. This has endeared them to the people, who have firm confidence in the strength of our Revolutionary Army and enthusiastically take part in revolutionary movements, particularly in letting their children and husbands serve in the Army and provide assistance to the front-line battlefield.

VONADK: SRV BATTALION POST ATTACKED NEAR TONLE SAP

EK080034 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodia 2315 GMT 7 Oct 85

[Text] Our National Army launched a 2-pronged attack on a Vietnamese battalion position at Peam Moat Khla in the vicinity of Tuol Thom, Lonle Sap, on 3 October. The first prong hit the battalion command post of the Vietnamese enemy while the second prong raided the defense system from the south. After 20 minutes of fighting, we completely liberated and controlled the position, killing 40 Vietnamese soldiers on the spot and wounding 17 others. Among the deads was a company commander. We destroyed 10 AK's, 1 M-30, 14 motor-boats, 13 rowing boats, a battalion command post, a company command post, 2 barracks, and some war materiel. We seized 10 AK's, 1 B-40, 2 B-41's, 1 M-30, 1 RPD, 3 AR-15's, 270 rounds of AK ammunition, 4 B-40 rockets, 5 B-41 rockets, 150 rounds of M-30 ammunition, 8 grenades, 10 Soviet-made mines, 1 2-watt coding machine, 6 motorboats, 6 rowboats, a map, 11 rucksacks, 18 sets of military uniforms, 40 sacks of rice, and some documents and war materiel. We freed and sent home 30 families of inhabitants forced by the Vietnamese to defend their position.

PHOUN SIPASEUT'S ADDRESS TO UN GENERAL ASSEMBLY

OW051540 Hanoi VNA in English 1452 GMT 5 Oct 85

[Text] Hanoi VNA October 5 -- Phoun Sipaseut, vice-chairman of the Council of Ministers and foreign minister of the Lao People's Democratic Republic, on the morning of Oct. 3 delivered his statement at the 40th Session of the U.N. General Assembly. He underscored the important significance of this session which is held on the 40th anniversary of the United Nations and of the victory over fascism.

Phoun Sipaseut praised the Soviet Union and other socialist countries for their constructive proposals aimed at putting an end to the arms race both on earth and in the outer space, especially the ban on nuclear tests, the freezing of nuclear arsenals, the reduction and eventually abolition of all nuclear arms on earth, the proposal concerning international cooperation in the peaceful [sentence as received]

The Lao foreign minister expressed the solidarity and support of the Lao people for the revolutionary people of Nicaragua and the Sandinista government in their courageous struggle against the subversive plots, and threats of aggression and economic blockade by the imperialists and their henchmen. He also expressed support for the efforts of the Contadora Group in solving the question of Nicaragua and Central America in general. He expressed support for the just struggle of the Salvadorean people. He affirmed the unshakeable solidarity and support for the fraternal Cuban people in their resolute opposition to the threat of aggression and subversion by imperialism. He strongly condemned the South African racist regime and voiced full support for the heroic antiapartheid struggle of the South African people under the leadership of SWAPO [South-West African People's Organization] for national liberation and reunification. He reaffirmed the Lao people's militant solidarity and support for the Angolan people in their staunch struggle against all acts of aggression and sabotage of the Pretoria regime in defence of their independence, sovereignty and territorial integrity. He also voiced support for and solidarity with the Government and people of Afghanistan in their fight to defend national independence and the gains of the April revolution.

Phoun Sipaseut said: "We support the proposals of the Soviet Union for working out confidence-building measures in the Far East as well as its proposals aimed at strengthening peace and stability in Asia. We also support the proposal of the People's Republic of Mongolia for the signing of an international convention on non-interference and non-use of force in the relations among the states, in Asia and the Pacific. These proposals, in our view, meet the interests of the peoples in the region".

After dealing with the burning situations in other regions in the world, he said: "During the past six years, the situation in Southeast Asia has evolved positively. In spite of multiple difficulties resulting from the aftermath of the destructive war and subversive acts of the reactionary circles, the three Indochinese countries, most particularly the People's Republic of Kampuchea, have won important successes in their tasks of national defence and construction.

These successes show that the P.R.K. and the Kampuchean people are developing and strengthening with each passing day, are controlling the entire national territory and have fully become masters of their country. The fact that the P.R.K. and the S.R.V. jointly declared last August 16 at the 11th conference of the foreign ministers of Laos, Kampuchea and Vietnam held in Phnom Penh, capital of the P.R.K., that the partial withdrawal of the Vietnamese Army volunteers from Kampuchea will continue annually and will be completed in 1990, is a new proof of the sincerity of Vietnam which has done all in its power to efficaciously help the Kampuchean people while respecting the independence and sovereignty of Kampuchea.

Thus, it is high time that the international community respects the legitimate rights of the Kampuchean people in their endeavors for rebirth and national construction along the path of their own choice. The seat of Kampuchea at the United Nations and in other international bodies must be returned to the PRK, the only legal and authentic representative of the Kampuchean people.

On the other hand, in spite of the obstacles set up by the hostile circles, the trend toward dialogue in the meeting between the Vietnamese foreign minister, representing the three countries of Indochina, and the foreign minister of Indonesia, representing the countries in A.S.E.A.N., has created conditions for a greater mutual understanding aimed at finding a solution to the question of peace and stability in Southeast Asia. To this end, the L.P.D.R., the P.R.K. and the S.R.V. have not spared any efforts to restore their friendly relations with the neighbouring countries, especially with the People's Republic of China and to restore the relations of good neighbourhood with the Kingdom of Thailand in order to turn the border of Laos and Kampuchea with Thailand into a border of peace and friendship.

At the 11th conference of their foreign ministers, the three countries of Indochina also reiterated their proposal to sign a treaty of peaceful coexistence with the People's Republic of China and the Kingdom of Thailand. In addition the P.R.K. has declared its readiness to negotiate with groups or individuals of the opposition about national reconciliation on the basis of the elimination of the Pol Pot clique and the holding of general elections following the total withdrawal of the Vietnamese Army volunteers from Kampuchea. We hope that these initiatives would lead to the objectives pursued by all the countries in the region, namely peace, stability, friendship and cooperation.

On the 2nd of October 1984, the Thai Government announced before this assembly the withdrawal of its troops from the three Lao villages. However, until now, even though these troops have pulled back they still occupy several neighbouring points inside Lao territory and continue with their criminal acts against the local civilian population.

In spite of that, the L.P.D.R., consistently loyal to its foreign policy of peace, friendship and cooperation, has done all in its power to safeguard and develop the relations of friendship and good neighbourhood between the two peoples. In that spirit, the L.P.D.R. Government recently renewed to the Royal Thai Government its proposal to negotiate at the government level, either in Bangkok or Vientiane, with a view to ensuring strict implementation of the joint Lao-Thai communiques of 1979 which have laid the necessary bases for the harmonious relations between the two countries. Unfortunately, until today the Thai Government has not yet given a positive response to our sincere proposals. Therefore, in the interests of the two peoples as well as the interests of peace and stability in the region, the Government of the L.P.D.R. wishes that the Royal Thai Government would give a reasonable response to these proposals."

The Lao foreign minister concluded: "In celebrating the 40th anniversary of the two historical events -- the great victory over fascism and the creation of the United Nations Organization -- we cannot but recall the tragedy of the Second World War and draw a parallel between the present situation and that before the war. When the imperialists are perpetrating acts of aggression, threats or blockade against several countries in different parts of the world, when the expansionists put forward ill-founded territorial claims and when certain circles declare whole regions of our planet their spheres of 'vital interests' we cannot help calling back to mind the facts which had led to the outbreak of the Second World War. Therefore, it is our hope that the tragic lessons of that war would serve as a warning to peoples across the world and prompt them to devote all their efforts, both physical and mental, to eliminating the danger of nuclear war and safeguarding international peace and security."

The L.P.D.R. which was victim of the imperialists war of aggression for several decades has no other greater desire than to live in peace and friendship with all countries on the basis of respect for each other's independence, sovereignty and territorial, equality and mutual benefit. In this spirit, the L.P.D.R. and the Lao people will do all in their power to contribute to the struggle of the peoples in Asia, Africa, Latin America and other regions for peace, national independence, democracy and social progress."

LEADERS GREET GDR COUNTERPARTS ON NATIONAL DAY

BK061019 Vientiane KPL in English 0921 GMT 6 Oct 85

[Text] Vientiane, October 6 (KPL) -- On the occasion of the 36th national day of the GDR, Kaysone Phomvihan, general secretary of the LPRP CC, and chairman of the Council of Ministers; and Souphanouvong, president of the republic and of the People's Supreme Assembly, PSA, jointly sent a telegramme of greetings to their GDR counterparts. The message of congratulations was addressed to Erich Honecker, secretary general of the Socialist Unity Party of Germany CC (SED), chairman of the Council of State; Willi Stoph, chairman of the Council of Ministers; and to Horst Sindermann, president of the People's Chamber of the GDR.

The message reads: On the occasion of the celebration of the 36th national day of the GDR, on behalf of the Central Committee of the LPRP, the PSA, and the Council of Ministers of the LPDR, the Lao people, and in our own names, we are glad to convey to you and, through you, to the SED Central Committee, the Council of State, the Council of Ministers, the People's Chamber and to the GDR people our warm congratulation and best wishes.

"The founding of the GDR was an historic hallmark in the destiny of the entire GDR people. It represented a victory of the just leadership of SED. In the past 36 years, under the leadership of the SED and enjoying a great and effective aid of the USSR and receiving sincere support and help from other fraternal socialist countries, the GDR people have overcome great tests and trials and scored great successes in constructing their nation and transforming the GDR today as a developed socialist country having modern industry and agriculture, advanced economic, scientific and technological system, a powerful national defence and the living condition of the people is being more and more raised.

"The great successes gained by the people of the GDR constitute an important contribution to the consolidation of the force of the socialist community and contribute to the safeguarding of peace and security in Europe and in the world. They also serve as an encouragement to the movements struggling for peace, national independence, democracy and social progress to help to raise the role and prestige of the GDR in the international arena. The Lao people, in this regard, are happy to see the success of the GDR people and consider them as their very own. On this occasion, we would like to wish the GDR people, under the guidance of the SED led by Comrade Erich Honecker, still more and greater success in their tasks of building advanced socialism in the land of GDR. May the fraternal friendship and militant solidarity and close cooperation existing between our two parties, governments, and peoples be further and fruitfully developed with each passing day."

On the same occasion, Phoun Sipaseut, vice-chairman of the Council of Ministers and foreign minister of the LPDR, also sent his warm and fraternal greetings to Oskar Fischer, foreign minister of the GDR.

SURPRISE VISIT BY VIETNAMESE ANNOUNCED

BK080033 Bangkok THE NATION in English 8 Oct 85 p 1

[Text] Vietnamese Vice Foreign Minister Hoang Bich Son will fly here this morning for a meeting scheduled for tomorrow with Deputy Foreign Minister Praphat Limpaphan on improving bilateral relations in a flurry of diplomatic activities on the eve of the Kampuchean debate at the UN General Assembly, Foreign Minister ACM [Air Chief Marshal] Sitthi Sawetsila said last night.

Sitthi announced the surprise visit upon his return from a three-week tour of Belgium, the U.S. and Japan. "The Vietnamese have asked to talk to us," he explained.

ACM Sitthi said that earlier last week, an ASEAN circular issued by acting Philippines Foreign Minister Pacifico Castro in his capacity as chairman of the ASEAN Standing Committee was sent to the UN General Assembly to refute a claim by Vietnamese Foreign Minister Nguyen Co Thach over progress in the so-called "process of dialogue" between ASEAN and the Indochinese states.

He also said that the Kampuchean coalition government is expected to win more supporting votes for it to retain its UN seat this year. The number will increase by a few votes to 112-113 following active lobbying by ASEAN envoys.

Sources said that the meeting between the two deputy ministers tomorrow was proposed by Vietnam during a meeting at the Foreign Ministry last week. At the meeting Friday, Director General of the Department of Political Affairs M.R. Thep Thewakun told Vietnamese Ambassador Tran Quang Co that Deputy Foreign Minister Praphat will receive Hoang Bich Son for talks on bilateral issues only.

Son is due to arrive here from Geneva where he attended an international conference on refugee problems.

M.R. Thep reportedly told the Vietnamese envoy that it is Thai foreign policy to have friendly relations with all countries and that since the two countries maintain diplomatic relations, the Thai deputy foreign minister would receive Son during his stop-over here. But the director general made it clear that the Thai deputy foreign minister would only exchange views with the Vietnamese counterpart strictly on improving bilateral ties.

In an apparent allusion to the Kampuchean conflict, M.R. Thep told the envoy that Vietnam was already aware of the reasons why bilateral relations had not developed to a desirable level. An informed source told THE NATION that the Thai side would mainly listen to what Son has to say in what he describes as "an exchange of views" and not negotiations as such.

The Thai side agreed to the meeting to demonstrate its policy of keeping the door open for talks, according to the sources. The Thai Foreign Ministry has also prepared a position paper for the meeting on various bilateral issues, including fishing, trade and the long-standing problem of the Vietnamese refugees of the older generation in Thailand.

Informed sources said that the latest approach by Vietnam could be an attempt to demonstrate to the international community that Hanoi was open-minded in seeking a dialogue with Thailand.

The sources said that at the request of the Vietnamese delegation to the UN, the UN Secretariat had earlier circulated a document issued by Thach to all UN members. In the circular, Thach claimed that there was progress in the process of negotiations between the two regional groupings as a result of his visit to Indonesia. The content in the circular is basically the same as that in his letters addressed to foreign ministers of the Western countries, though the wording was more "colourful," according to an informed source.

To counter the latest Vietnamese move, ASEAN asked the UN Secretariat to circulate another document by acting Philippine Foreign Minister Pacifico Castro, who made it clear that Thach's meeting in Jakarta with his counterpart Mokhtar Kusumaatmaja resulted in no progress on the Kampuchean issue.

SRV's Son Arrives For Talks

HK080452 Hong Kong AFP in English 0438 GMT 8 Oct 85

[Excerpt] Bangkok, Oct 8 (AFP) -- Vietnamese Deputy Foreign Minister Hoang Bich Son arrived here today for a surprise visit during which he will meet Thai Foreign Ministry officials.

Thai officials said Deputy Foreign Minister Praphat Limpaphan will hold talks with Mr Son tomorrow "on bilateral matters only" and the two men will not discuss the Cambodian issue where Bangkok and Hanoi are opposed.

The officials added that Mr Son's visit, arranged at Vietnam's request, was "private , and his discussion with his Thai counterpart would be merely an "exchange of views" on ways to improve relations between the two countries.

STATEMENT AT UN DEPLORES ISRAELI AIR STRIKE

BK080850 Bangkok Voice of Free Asia in English 1500 GMT 7 Oct 85

["Substancive part" of the Thai delegation's statement deplores the recent Israeli bombardment in Tunisia given at UN Security Council meeting on 2 October 1985]

[Text] The Thai Government deeply regrets and deplores the violation of sovereignty and territorial integrity of Tunisia, a country friendly to Thailand, by the Israeli air force. The Thai Government takes note of the reason cited by Israel in launching the air strike, namely that it was done in retaliation to violent acts against Israeli nationals. However, it is well known that according to international law, the principle of proportionality must be taken into account. While we regret the loss of 15 Israeli lives during the past few weeks, we also regret deeply the loss of over 60 lives in Tunisia, which is evident proof of the lack of proportionality on this matter. In any case, the violation of Tunisia's sovereignty and territorial integrity must be condemned.

In this regard, the Thai Government wishes to express its sincere condolences to the Tunisian Government and people for their grievous losses. While the Thai Government condemns all acts of violence, particularly in the Middle East, an area which has been ravaged by so many conflicts for so long, we must all stand firm for the principles and for the rights of peoples, particularly the inalienable rights of the Palestinian people. We are deeply sympathetic with them in their plight. In this particular case, and in the interest of international law and order, the Thai Government demands that Israel desist in the future from the perpetration or the threat of such acts, and that Israel pay due compensation for the losses resulting from its aggressive acts.

CENTRAL COMMITTEE MEMBER NGUYEN DUC THUAN DIES

OW071533 Hanoi VNA in English 1521 GMT 7 Oct 85

[Text] Hanoi VNA Oct. 7 -- Nguyen Duc Thuan, member of the Communist Party of Vietnam Central Committee, president of the Vietnam Federation of Trade Unions, and member of the Executive Committee of the World Federation of Trade Unions, passed away at 0:30 hr on October 4, 1985 at the age of 69.

This is stated in a communique released here today by the C.P.V. C.C., the National Assembly, the Council of State, the Council of Ministers, the Vietnam Fatherland Front Central Committee, and the Vietnam Federation of Trade Union. Nguyen Duc Thuan was also member of the Council of State and of the Presidium of the Vietnam Fatherland Front Central Committee.

The communique says that Nguyen Duc Thuan was born into a poor peasant family in Ha Nam Ninh province (about 100km south of Hanoi) in 1916. He joined the Indochinese Communist Party (now the C.P.V) in 1937 when he was a worker at a glass workshop in Hanoi. In the protracted struggle for national liberation and reunification, he was twice arrested and deported to Poulo Condor by the French colonialist (1940-45) and the American imperialists (from 1956-64). Always loyal to the revolution, the communique further says, he set a bright example in the staunch and undaunted struggle against the enemy even in their most barbarous prison regime. Since 1966, after being free from the U.S.-puppet coercion, he has been entrusted many important tasks by the party and state.

Commmunique on Funeral

BK080408 Hanoi Domestic Service in Vietnamese 1430 GMT 7 Oct 85

[Commmunique of funeral for Nguyen Duc Thuan -- date not given]

[Text] 1. The CPV Central Committee; the National Assembly, Council of State, and SRV Council of Ministers; the VFF Central Committee; and the Vietnam Confederation of Trade Unions [VCTU] have decided to set up a funeral committee for Comrade Nguyen Duc Thuan composed of the following comrades:

Nguyen Duc Tam, member of the Political Bureau and member of the CPV Central Committee, chairman of the funeral committee;

Le Quang Dao, member of the CPV Central Committee;

Le Thanh Nghi, member of the CPV Central Committee, vice chairman and concurrently general secretary of the SRV Council of State;

Huynh Tan Phat, chairman of the VFF Central Committee Presidium;

Tran Quoc Hoan, member of the CPV Central Committee and director of the CPV Central Committee Proselytizing Department;

Nguyen Thi Dinh, member of the CPV Central Committee and chairman of the Vietnam Women's Union;

Hoang Quy, member of the CPV Central Committee, minister, and vice chairman of the State Planning Commission;

Pham The Duyet, alternate member of the CPV Central Committee, vice chairman and concurrently general secretary of the CVTU; and

Vu Mao, member of the CPV Central Committee and first secretary of the Ho Chi Minh Communist Youth Union.

2. The late Comrade Nguyen Duc Thuan is now lying in state at the Ba Dinh Conference Hall and will be buried at the Mai Dich cemetery in Hanoi.
3. Visits to Comrade Nguyen Duc Thuan will begin at 0800 on 8 October 1985. A memorial service and the burial service will be held at 1330 on the same day.

[Signed] The CPV Central Committee; the National Assembly, Council of State, and SPV Council of Ministers, the VFF Central Committee; and the VCTU.

HANOI CONDEMS U.S.-THAI 'MILITARY COLLUSION'

OW050505 Hanoi Domestic Service in Vietnamese 1100 GMT 4 Oct 85

[Text] According to a U.S. report, Thai Prime Minister Prem and U.S. Defense Secretary Weinberger signed what they called a defense agreement in New York on 3 October. This dangerous military collusion will be achieved through the transfer of large amounts of U.S. weapons and military transport equipment to Thailand for use in the so-called emergency case. The United States will also help Thailand increase the production of ammunition and military equipment right on Thai soil. This new military collusion between Washington and Bangkok reveals these two facts:

1. Washington and Bangkok are continuing to manifest the policy of using violence against the Cambodian people's revival and the policy of opposing the trend toward dialogue now in progress in the Southeast Asian region. Washington and Bangkok are therefore advocating confrontation between nations, especially between Thailand and the three Indochinese countries.
2. This was a new step by Washington in its strategy to intensify U.S. strength in Asia-Pacific with a view to opposing the socialist and independent nationalist countries currently adopting a progressive line in the region and to controlling those countries which are within the U.S. orbit.

It is no surprise that Washington, Bangkok, and even Beijing are now conducting a chorus of slander that Vietnam is preparing to invade Thai territory. This chorus is being conducted not only in their countries but also at the UN forum. The chorus hopes to stimulate public opinion and the international community to oppose the work of the three Indochinese countries, defend the genocidal clique now hiding on Thai soil, and therefore pave the way for pouring weapons into Thailand and turning Thai territory into a military base while threatening to start a war.

Before public opinion we vehemently condemn this scheme of the United States and its clique through this new military collusion between Washington and Bangkok. We condemn the slander of Washington and Bangkok against the three Indochinese countries' just cause, a shining and good-willed stand which advocates the establishment of good relations with all other countries, especially neighboring countries, including Thailand.

No country intimidates Thailand. Only Thailand intimidates and has constantly violated the independence and sovereignty of Cambodia while colluding with foreign forces in resisting the three Indochinese countries.

Concocting the story of Vietnam's preparations for an invasion of Thailand and then opening the door for U.S. weapons to flood into Thailand, the Prem administration is obviously continuing to subordinate Thailand to the United States. As a result, the Thai situation will only become increasingly unstable and the Southeast Asian situation more strained.

VNA ON THAI 'ENCROACHMENT' OF CAMBODIAN SPACE

OW071551 Hanoi VNA in English 1525 GMT 7 Oct 85

[Text] Hanoi VNA October 7 -- In September, Thailand made 1,017 encroachments on Kampuchea's air space, land and territorial waters. Thai aircraft including F.5, A.37, L.19, OV.10 and helicopters on 55 occasions overflew many areas lying deep inside Kampuchean territory such as heights 547 and 581 (Preah Vihear Province), Anlong Veng (Siem Reap-Oddar Meancheay Province), Poipet, Dangkum, Thmo Pur, Ampil, Konrieng, and Oddar (Battambang Province) particularly on September 4, Thai F.5 aircraft flew 15 kms deep into the Kampuchea airspace and fired 20mm rounds on Dangkum area.

On the sea, Thai armed vessels made 799 intrusions into Kampuchea's territorial waters around Koh Kong and Koh Tang islands. In the meantime, Thai troops opened artillery fire on 163 occasions at the areas of Dangkum, Ta Sanh, Coop, Mac Houn, Bua, Pailin and Konrieng (Battambang Province), Smat Deng and a crossroad on highway 56 (Pursat Province).

At the same time, many groups of the Khmer reactionaries were from their sanctuaries in Thailand sent into Kampuchea to undermine the peaceful life of the Kampuchean people. Kampuchean Revolutionary Armed Forces and people in the localities firmly fought back the intruders, killing or wounding 864 enemy troops, and seizing 250 assorted guns and a good quantity of ammunitions. Almost 600 misled Khmers voluntarily returned to the local revolutionary administration for reunion with their families.

COOPERATION WITH CAMBODIA CONTINUES TO DEVELOP

OW072115 Hanoi VNA in English 1512 GMT 7 Oct 85

[Text] Hanoi VNA Oct 7 -- Over the past seven years, especially since 1982, many agreements for economic cooperation between various economic branches and localities of Vietnam and Kampuchea have been signed on the basis of the February 2, 1979 Vietnam-Kampuchea Treaty of Peace, Friendship and Cooperation.

Under these agreements, Vietnam has sent its cadres and experts to help Kampuchea restore and quickly develop agricultural and industrial production, transport and communications, post service, finance, bank, trade, culture and education. In addition, Vietnamese provinces have sent to their Kampuchean sister localities a great quantity of materials, equipment, food and foodstuff, strains for plants and animals. Many localities in Kampuchea have brought into full play their economic potentials, stepping up production and improving the people's living conditions. Phnom Penh has now really become an economic, political, social and cultural centre of the whole country. The Kampuchean border province of Siem Reap Oddar-Meancheay, enjoying great assistance from Binh Tri Thien Province of Vietnam, has not only become self-sufficient in food but also sold some 20,000 tons of its surplus foods to the state each year.

Within five years from 1981-85, the balance of trade between Kampuchea and Vietnam has reached over 45 million rubles, which is expected to increase by 33 per cent in the five coming years. For 1986-90, Vietnam will continue to help Kampuchea restore or build a number of economic establishments and key projects, upgrade a number of factories, step up the agricultural production, including the building of key rice-producing areas, high-yield rice fields, and irrigation projects, to set up afforestation centers and sea-food processing establishments, build a shipyard, repair or build several bridges and communications lines.

Vietnam will also cooperate with Kampuchea in timber exploitation and rubber production, fishing industry, etc. Vietnam will export to Kampuchea food and foostuffs and building materials, and in return, it will receive from Kampuchea agricultural and forest products.

NGUYEN HUU THO LEADS GROUP TO CZECHOSLOVAKIA

OW041641 Hanoi VNA in English 1546 GMT 4 Oct 85

[Text] Hanoi VNA Oct. 4 — A National Assembly delegation of Vietnam led by Chairman Nguyen Huu Tho arrived in Prague yesterday for an official friendship visit to Czechoslovakia. It was welcomed at the airport by Alois Indra, Presidium member of the Communist Party of Czechoslovakia Central Committee and chairman of the Federal National Assembly (FNA), Vice-Chairmen V. David, D. Hanes and O. Volenik; other high-ranking party and state leaders; and Vietnamese Ambassador Vu Song. In the afternoon, the delegation held talks with a Czechoslovak F.N.A. delegation led by Chairman A. Indra.

Speaking on this occasion, Chairman A. Indra said: "Czechoslovakia fully supports the stance and efforts of Vietnam, Laos and Kampuchea aimed at turning Southeast Asia into a region of peace and stability". He highly valued the fine development of the Czechoslovak-Vietnamese relations, especially in economic cooperation.

For his part, Chairman Nguyen Huu Tho said. "Vietnam always stands in the ranks of fighters against the threat of a nuclear war and all threats of war. It consistently supports the Soviet Unions' stance for peace, and the positive proposals put forward by Soviet Party Secretary General M. Gorbachev." He underscored the good will and efforts of the three Indochinese countries to reach a stable peace in this region. He also highly valued the Vietnamese-Czechoslovak relations and expressed his belief that this visit would further promote the development and comprehensive cooperation between the two countries.

In the evening, Chairman A. Indra offered a reception in honour of the Vietnamese delegation.

Husak Receives Delegation

OW050909 Hanoi VNA in English 0746 GMT 5 Oct 85

[Text] Hanoi VNA Oct 5 -- Gustav Husak, general secretary of the Communist Party of Czechoslovakia and president of the Czechoslovak Socialist Republic, received in Prague yesterday the visiting delegation of the Vietnamese National Assembly led by its Chairman Nguyen Huu Tho. Present at the meeting was Alois Indra, member of the Communist Party Presidium and chairman of the Federal Assembly.

Later the same day, the members of the Vietnamese delegation met with Deputy Mayor of Prague Martin Poliak, and discussed the capital's friendship ties with Hanoi. They spoke highly of the support and aid which the Czechoslovak working people extended for years to the struggle of the Vietnamese people for freedom and independence.

On Zizkov Hill, the Vietnamese guests laid a wreath at the Tomb of the Unknown Warrior in the National Memorial, and flowers at the tomb of Klement Gottwald, outstanding representative of the Czechoslovak Communist Party and of the international communist movement.

SRV LEADERS GREET GDR'S 36TH NATIONAL DAY

OW061758 Hanoi VNA in English 1607 GMT 6 Oct 85

[Text] Hanoi VNA Oct. 6 -- Vietnamese leaders today sent a message of greetings to their G.D.R. counterparts on the 36th National Day of the German Democratic Republic.

The message, jointly signed by Le Duan, general secretary of the Communist Party of Vietnam Central Committee, Truong Chinh, president of the State Council, Pham Van Dong, chairman of the Council of Ministers; was addressed to Erich Honecker, general secretary of the Socialist Unity Party of Germany (SED) Central Committee and chairman of the Council of State, Willi Stoph, chairman of the Council of Ministers and Horst Sindermann, president of the People's Chamber of the GDR.

It says: "The founding of the G.D.R. was an important turning point in the history of the G.D.R. and Europe. Over the past 36 years, the G.D.R. people, under the leadership of the SEL, have brought into full play the revolutionary tradition of the German working class, closely united and cooperated in all fields with the Soviet Union and other fraternal socialist countries, and made the G.D.R. strong in all fields, thus making important contributions to strengthening the socialist community, the peace in Europe, and to the world people's struggle against the war-mongering imperialist forces, for peace, national independence, democracy and social progress.

"The Vietnamese people greatly rejoice at the brilliant achievements recorded by the G.D.R. people and sincerely wish them, under the leadership of the SED headed by esteemed Comrade E. Honecker still greater successes in implementing the resolutions of the party's 10th congress and building a developed socialist society.

"We note with great joy that the fraternal friendship and solidarity and the comprehensive cooperation between our parties, two states and two peoples have constantly consolidated and developed on the basis of Marxism-Leninism and socialist internationalism and in the spirit of the Vietnam-G.D.R. Treaty of Friendship and Cooperation.

"We take this opportunity to express our profound gratitude to the party, Government and people of the G.D.R. for their valuable support and assistance to the Vietnamese people's past struggle for national liberation and present national construction and defence.

"May the friendship, militant solidarity and all-round cooperation between the Vietnamese and G.D.R. peoples be constantly strengthened and developed."

Also on this occasion, Foreign Minister Nguyen Co Thach sent a message of greetings to his G.D.R. counterpart, Oskar Fischer.

Leaders Attend Reception

OW072107 Hanoi VNA in English 1529 GMT 7 Oct 85

[Text] Hanoi VNA October 7 -- The GDR ambassador to Vietnam, Schwiesau Hermann, gave a reception here today on the occasion of his country's 36th National Day (October 7).

Among the Vietnamese guests were General Chu Huy Man, Political Bureau member of the Communist Party of Vietnam Central Committee and vice president of the State Council, Le Quang Dao, secretary of the party C.C., Tran Quynh, member of the party C.C. and vice chairman of the Council of Ministers; Huynh Tan Phat, president of the Presidium of the Vietnam Fatherland Front Central Committee; and Nghiem Xuan Yem, vice chairman of the National Assembly.

Members of the diplomatic corps and representatives of the international organizations in Hanoi attended. The GDR ambassador and his guests raised toasts to the ever greater achievements of the GDR people in socialist construction and national defence and the constant consolidation and development of the friendship, militant solidarity and all-round cooperation between the GDR and Vietnam.

VAN TIEN DUNG CONGRATULATES CSSR PEOPLE'S ARMY

OW041725 Hanoi VNA in English 1523 GMT 4 Oct 85

[Text] Hanoi VNA Oct. 4 -- Gen. Van Tien Dung, Political Bureau member of the Communist Party of Vietnam Central Committee and minister of national defence, has extended his warm greetings to Col. Gen. Milan Vaclavik minister of national defence, of the Czechoslovak Socialist Republic, on the occasion of the 41st anniversary of the Czechoslovakia People's Army (Oct. 6).

The congratulatory message says: "... over the past 41 years since the successful historic campaign of Carpath-Dukla, under the leadership of the Communist Party the Czechoslovak people and Army have constantly enhanced their glorious revolutionary tradition, surmounted all difficulties and trials and recorded many outstanding achievements in socialist construction as well as in strengthening national defence.

Today, the Czechoslovak People's Army is an important component of the Warsaw Treaty which is day and night cooperating with the armies of fraternal socialist countries in firmly defending the socialist community, peace and security in Europe and the world over".

Gen. Van Tien Dung expressed heartfelt gratitude to the party, people and Army of Czechoslovakia for their strong support and valuable assistance to the Vietnamese People and Army in the national liberation cause in the past and in national construction and defence at present.

Reception Marks Anniversary

OW051754 Hanoi VNA in English 1524 GMT 5 Oct 85

[Text] Hanoi VNA October 5 -- A reception was arranged here yesterday evening by Colonel Jiri Havel, Czechoslovak military attache in Vietnam, to mark the 41st anniversary of the Czechoslovak People's Army.

The Vietnamese guests included Senior Lieutenant General Tran Van Quang, vice minister of national defence, Nguyen Van Trong, deputy head of the International Department of the Communist Party of Vietnam Central Committee, Vo Van Sung, assistant to the foreign minister, and many other senior officers.

Czechoslovak Ambassador Bohuslav Handl and military attaches of many countries in Hanoi were on hand. Colonel Jiri Havel, Senior Lieutenant General Tran Van Quang and others raised toasts to the achievements of the Czechoslovak People's Army in the construction and defence of socialist Czechoslovakia, to the constant development of the friendship, militant solidarity and fraternal cooperation between the peoples and Armies of Czechoslovakia and Vietnam.

PHAM HUNG, VO VAN KIET ADDRESS CONFERENCE

BK060446 Hanoi Domestic Service in Vietnamese 2300 GMT 5 Oct 85

[Text] The Council of Ministers recently held a conference in Ho Chi Minh City to discuss measures to enhance market management, stabilize prices, and combat speculation and smuggling. Attending were the leaders of various ministries, sectors, and mass organizations at the center as well as delegates from the provinces, cities, and special zones from Binh Tri Thien to Minh Hai.

Comrades Pham Hung and Vo Van Kiet, members of the party Central Committee Political Bureau and vice chairmen of the Council of Ministers, presided over the conference.

During the past period, especially since the sixth party Central Committee plenum in June 1984, market and price management in the southern provinces and cities has been actively carried out. Under the direct guidance of the Council of Ministers and various party committee echelons as well as the local administrations, and with close coordination among various sectors from the central to the grass-roots levels, the task of market and price management and the struggle against speculation and smuggling have obtained positive results. These efforts have been closely coordinated with the strengthening of the state-run and cooperative trade sectors. Along with the promotion of transformation, many appropriate transitional forms of trade activities such as joint state-private venture and retail agency have been widely applied in the reorganization of private traders.

At the conference, the delegates heard numerous reports by responsible organs on criminal activities of speculators, smugglers, hoarders, and dealers in counterfeit goods that have caused serious consequences to production, life, security, and national defense.

The conference unanimously remarked that our struggle against these crimes has remained at a low level for a long time and has neither struck really hard at the ringleaders nor duly punished the masterminds. The efforts to resolve problems have continued to follow a normal trend, and the manifestations of negativism, degeneration, and deviation within our ranks have not yet been adequately dealt with. This shows that our viewpoint on and perception of the saboteurs in the new stage of the revolution are still ambivalent.

Addressing the conference, Comrade Pham Hung reminded all responsible sectors to grasp firmly the party's viewpoint concerning transformation and building. In the immediate future, they should firmly grasp and satisfactorily carry out their functions in the struggle for market and price management and against speculators, smugglers, and makers of counterfeit goods as well as deviant and degenerate elements within our ranks. He especially advised the public security service to attach importance to household control and at the same time reminded all localities and units to actively build party bases and purify and strengthen their internal ranks. This is a factor that will ensure the success of all the tasks of the party in all stages and domains. Party leadership must be strengthened, a task that must be concretely reflected in the full implementation of all resolutions of the central level.

Concluding the conference, Comrade Vo Van Kiet stressed the nature and dangers of speculation, smuggling, making counterfeit goods, and manifestations of negativism within our ranks, saying that they are the enemies of socialism. He affirmed: we must resolutely punish the saboteurs in society and deal sternly with degenerate elements within our ranks. We must create aggregate strength and struggle effectively to ensure that the party's and state's policies regarding market and price management and speculation and smuggling suppression truly play a positive role in promoting the production, distribution, and circulation of goods.

NHAN DAN URGES STRUGGLE AGAINST BLACKMARKET

BK050929 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Oct 85

[NHAN DAN 5 October editorial: "Implementing the Fifth Party Central Committee's Eighth Plenum Resolution Is an Order of Life"]

[Text] The eighth plenum resolution and the promulgation of new policies on prices, wages, and money have created many favorable conditions for the socioeconomic activities. As we begin to implement them, some complicated problems have emerged, especially in market transformation and management and price stabilization.

Speculators, smugglers, hoarders, dealers in state-controlled goods, and producers and dealers of forgeries who cash in on the new policies on wages and price adjustment are operating intensively and attacking continually the socialist battleground in a cruel and perfidious manner, disrupting the market and causing a psychology of instability among the people.

In such a setting, can we manage the market and prices, develop production, and stabilize our livelihood? Now more than ever before, along with positively and urgently implementing the policies on prices, wages, and money, the struggle against speculation and smuggling becomes the hottest and most pressing battlefield. Since the liberation of the south, our state has achieved many educational steps to transform and manage the market with many substantial results. However, as we have not adequately realized the gravity of the economic sabotage activities by the enemies, speculators, and smugglers, at times, we have become right-leaning, relaxed, and lost vigilance against them.

We are carrying out the transformation of private capitalist industry and trade through the various appropriate transitional economic forms. However, quite a number of them have taken advantage of the state's humanitarian policies and have stubbornly opposed us through all sorts of wicked tricks. They have made under-the-counter dealings with the deviant and degenerate elements in various state agencies and the Armed Forces to conduct smuggling and speculative operations in all areas at home and abroad and in the seas as well, using all means of transportation and dealing in all types of commodities, especially those staple goods essential to the people's livelihood. They have enriched themselves with the people's sweat and tears and have corrupted cadres in order to corrode our state's management system.

Completely losing their conscience are those who produce and sell forgeries, especially medicines and refreshment drinks which threaten the people's health, and cause very bad, sometimes even lethal, effects. In the past 2 years or so -- through the creative and positive activities of responsible sectors -- we have made arrests involving thousands of cases of smuggling and confiscated billions of old banknotes, large amounts of foreign exchange, hundreds of ounces of gold, thousands of metric tons of strategic materials, and so forth. Even so, the activities of speculators, smugglers, hoarders, and traders of state-controlled and forged commodities continue in a very complicated and serious manner in many localities, especially in Ho Chi Minh City, adversely affecting all aspects of social life, political security, social order, security, and the building of new socialist men. Time does not permit us to relax our measures against them. It is time that the proletarian dictatorship use its strength and spearhead the most vigorous and resolute offensive aimed at the speculators, smugglers, hoarders and traders of state-controlled and forged commodities so as to firmly maintain prices, control the market, and ensure the sharpness of the breakthrough of prices and wages as well as the whole eighth plenum resolution.

We must severely and mercilessly punish economic criminals, that is the order of life. It is only one small step from economic sabotage to political reaction. Those who engage in illegal trading and corrode socialist assets must be considered as counter-revolutionaries and must be punished most severely.

Whether the buying power of the new banknotes and the take-home pay and livelihood of cadres, workers, state employees, soldiers, and other laboring people can be ensured or not and whether political security and social order and security can be firmly maintained or not, depends on the struggle against the economic criminals. Only by conducting this struggle well, can we meet the profound and legitimate aspirations of the people.

In conducting this struggle, all sectors at all levels, the Armed Forces, and the people should adequately realize the gravity and the immediate and lasting harmful effects of speculation, smuggling, trade and hoarding of state-controlled commodities, and production and sale of forgeries. The struggle against these criminals is complicated and fierce. It is an important part of the struggle between the two paths of socialism and capitalism for the sake of socialist victory.

We must mobilize the integrated strength of the state of proletarian dictatorship, vigorously develop the laboring people's collective mastery, and conduct a continuous, uniform, and widespread battle to destroy all pockets and rings of smuggling, hoarding of state-controlled commodities, and producing and selling of forgeries.

All sectors, echelons, and people should denounce the counterrevolutionaries who take advantage of speculation and smuggling to oppose and sabotage us in several fields, undermine political security, and propagate the ideology and psychology of skepticism and pessimism. We must promptly detect and rapidly smash their plots and acts of sabotage, expose smugglers, speculators, hoarders of state-controlled and forged items; lay bare their tricks and maneuvers, and destroy their organizations, connections, and dens. The deviant and degenerate personnel in state agencies and the Armed Forces who make under-the-counter dealings with professional criminals in society, are selling their souls and bodies to the dishonest traders and are injuring the reputation and prestige of the party and state. These people must also be detected and duly punished.

We must educate some errant small merchants who are employed by dishonest traders to disrupt the market. They should be organized into the appropriate forms of collectives in the course of socialist transformation and economic management. In fighting speculators and smugglers, we must pay attention to the critical areas such as cities, towns, sea zones, border checkpoints, harbors, airfields, rail stations, and both domestic and overseas lines of communications.

The realistic experiences show that if we want to score good results in market transformation and management, we must begin by accelerating the task of building strong, firm, and healthy party organizations. The people's Public Security Forces, the people's Army, and the mass organizations must be wholesome. The struggle against negativism among the revolutionary ranks must be the primary task and must be done regularly and continuously. We must strengthen management and purify our ranks while vigorously stepping up the repression of professional speculators and smugglers in society. We must link the task of fighting the economic criminals with the protection of socialist assets and our internal ranks. All illegal private business that disrupts the market must be immediately discontinued.

Responsible agencies should thoroughly know their specialized professions, rely on the masses, and launch a mass movement to detect and hit -- with vigor and accuracy -- the ringleaders and their dens and smash up their operational networks.

The antispeculation and antismuggling task calls for uniform and close coordination among the forces of all sectors, provinces, and cities in each region and throughout the country. This should be done in the spirit of socialist cooperation and in the common interest.

Socialist trade must grow quickly both in breadth and in depth, and must surge forward to really control collecting, purchasing, and selling operations in the market. The free market of grain must be eliminated. The state must by all means purchase all grain and food products and goods and must rationally organize their distribution to meet the demands of society. It must establish a stern discipline of prices once the list of new prices has been established in the state-run trade system, cooperatives, and joint private-state cooperation business. Money and commodities must be well balanced in each locality.

We must continue to step up the socialist transformation of private industry and trade, quickly and positively eliminate long-distance traders, ensure smooth circulation in the market, give a truly leading position to socialist circulation and distribution, and positively support the development of production and the stabilization of the people's livelihood.

The rapid growth of socialist trade is a decisive condition in the struggle against speculation and smuggling which disrupt the market. The fierce battle against speculation, smuggling, and economic sabotage is a complex and difficult struggle.

While we enhance the party leadership, all sectors, echelons, and the Armed Forces should promote their unity of mind and action, develop the laboring people's collective mastery to the greatest extent, stir up a broad mass revolutionary movement, participate in the management of market and prices, use the integrated strength of the state of proletarian dictatorship, and flexibly apply the various managerial resources. Then, we will certainly knock down the counterrevolutionaries, dishonest traders, speculators, and smugglers and make important contributions to advancing the economy of our country to a new position, while victoriously implementing the historical eighth plenum resolution.

NHAN DAN CALLS FOR INCREASED CONTROL WORK

BK041430 Hanoi Domestic Service in Vietnamese 2300 GMT 3 Oct 85

[4 October NHAN DAN editorial: 'Implementing the Resolution of the Party Central Committee's Eighth Plenum, Let Us Increase Control Work']

[Text] Implementing the resolution of the party Central Committee's eighth plenum and various policies on prices, wages, and money and switching to a new management system are most complex and difficult tasks. This requires that leadership and guidance activities be concentrated, closely organized, urgent, and resolute with strict enforcement of discipline on execution and with increased control over implementation.

Control work is very important. Only by exercising control from top to bottom and vice versa can we know whether party cadres and members and various sectors, localities, and establishments have been working or not, working hard or less, and working correctly or incorrectly. This is to promptly detect and deal with newly arisen problems, correct irregularities, develop good experiences, and detect those policy-related problems to be amended or revised.

Exercising leadership without paying attention to control activities will have a negative effect. Increasing control activities will make it possible for the scrupulous and effective implementation of the resolution of the party Central Committee's eighth plenum and other policies on prices, wages, and money.

Through this, we will improve the party's leadership efficiency and contribute to applying the system of leadership by the party, management by the state, and collective mastery by the laboring people; to building steadfast and clean party organizations; and to improving the fighting strength of party cadres and members. Implementing the resolution of the party Central Committee's eighth plenum and various policies on prices, wages, and money in order to switch to a new management system of socialist economic accounting and business is a tough struggle between the two paths of socialism and capitalism and between us and the enemy. It is also a fierce struggle to discard gradually the system of bureaucratic centralism and subsidization and to overcome the trend toward liberalism and indiscipline -- such as deliberately misinterpreting party revolutions and state policies and law because of local, departmental, and individual interests.

Shortcomings and deficiencies recently found in a number of localities and among certain party members in implementing various specific stipulations and policies on the development of trade, management of prices, wages, and finance, handling of cash, withdrawal and exchange of money, market management, transformation of private industries and trade, and so forth would have been overcome sooner if timely control efforts had been made.

Exercising control over the implementation of the resolution of the party Central Committee's eighth plenum and various policies on prices, wages, and money in order to switch to a new management system and a new mode of production and business falls within the responsibility and authority of various party committee echelons and of various control committees. It is also the duty of every party member, of every party Central Committee department, and of every mass organization.

Grassroots-level party organizations must take direct responsibility for organizing the implementation of the resolution of the party Central Committee's eighth plenum and various policies on prices, wages, and money. Every party member and every party organization must set truly good examples and demonstrate their revolutionary qualities by voluntarily upholding a sense of unit discipline and by practically implementing party resolutions.

In case there is a need to reexamine a certain policy in order to revise or amend it, a lower echelon must report the problem to its next-higher echelon, asking the latter for advice and waiting for its decision. The next-higher leadership echelon is responsible for answering and resolving quickly all requests and petitions from its lower echelons and basic units.

In implementing various specific decisions on prices and wages, it is necessary to pay specific attention to the people's control and inspection activities. Trade unions, youth unions, and women's associations must cooperate with state inspection organs in directing their subordinate unions and associations at all levels to set up people's control teams at every ward and village. As an immediate task, these teams must concentrate on inspecting the implementation of state stipulations on prices, on market management, on product quality and weight, and on sale procedures. They must inspect the activities of both private traders and those production and business units run by cooperatives and the state. Government agencies must create favorable conditions for people's control teams to carry out their tasks in a satisfactory and truly effective manner.

Increasing the control over the implementation of the resolution of the party Central Committee's eighth plenum in an urgent, resolute, and highly militant fashion emphasizing key areas, sectors, localities, and units amount to practically contributing to pushing our national economy to switch to the new management system of socialist economic accounting and business.

ENRILE SAYS RENEWAL OF MARTIAL LAW NOT PLANNED

HK071201 Manila METRO MANILA TIMES in English 6 Oct 85 pp 1, 5

[By Arnold Atadero]

[Text] President Marcos has no plans or intentions to reimpose martial law in the country. Defense Minister Juan Ponce Enrile made this assurance in an open forum that followed his remarks during the induction last Friday night of the new set of officers of the Region 7 (Central Visayas) Peace and Order Council (POC) at the Casino Espanol de Cebu in Cebu City. Enrile's assurance was expected to defuse the tension arising from persistent reports that the President would again impose martial law. Enrile himself said he did not see the necessity of martial rule now or in the near future, stressing that "we are relatively better off today, security wise, than in 1972."

Several sectors, which raised the suspicion, apparently thought that the present condition in the countryside, marked by liquidations, widespread "Welga ng Bayan" (people's strike) strikes, student demonstrations in the provinces and boycott of classes by teachers, was fast approaching the situation of 1972. The violent demonstrations in Metro Manila, the secession in Mindanao, widespread protest mass action and the assault on Malacanang by militant groups precipitated the declaration of martial law in 1972, it was reported.

Answering a question from a media man, Enrile said "security wise, the conditions today are relatively better than in 1972." He said the peace and order problem in the country was "manageable."

Enrile, who was the administrator of martial law from 1972 to its lifting in 1981, said in 1972 the size of the Armed Forces was about 53,000 men and women pitted against 20,000 to 30,000 Muslim rebels and about 3,000 New People's Army (NPA) guerrillas. He recalled that policemen during that time were not integrated and controlled by mayors, so they were fragmented. Their only purpose then was to provide security to the town where they were assigned, the minister said. He said AFP [Armed Forces of the Philippines] personnel at that time were ill-equipped armed only with carbine and Garand rifles and not well trained.

The government's problem had been compounded by massive buildup of about 20,000 to 30,000 armed members of the Moro National Liberation Front (MNLF) who were aided by outsiders with plenty of resources, Enrile said during the open forum. He said the government then had to contend also with about 300 private armies which had better firepower than the AFP.

Enrile said the Communist Party of the Philippines (CPP), and its military arm, the New People's Army (NPA), had about 3,000 armed guerrillas who enjoyed strong political support like the MNLF. According to him, when the rebellion exploded in Mindanao in the early 1970s, many soldiers were killed.

Comparing the situation of today with that of 1972, Enrile said today, the number of AFP men had more than doubled, and that they were equipped with sophisticated weapons and well-trained. The AFP has become self-reliant on a number of military hardware, including Armalite rifles, bullets for different calibers and other items which were being manufactured locally using also local materials. The minister said the AFP had to contend only with about 10,000 to 12,000 armed NPA regulars equipped with Carbine and M-16 rifles. "Of course, we suffer casualties but we replace them as fast as we lose them, which was not true in 1972," the minister said.

He said, "we can engage in a running war for five years and we will not run out of bullets."

In a separate interview, Brig. Gen. Eduardo Ermita, chief of the AFP Civil Relations Service (CRS), said there were other preemptive measures adopted by the President to prevent escalation of violence which may precipitate the declaration of another martial law. Ermita cited Proclamation 2045-A, issued on July 3, 1983, expanding the coverage of crimes that are subject to Presidential Detention Action (PDA). Crimes covered by PDA are tumult, economic sabotage and illegal assembly. Ermita pointed out that the purpose of the PDA was to immobilize groups which were trying to destabilize the government.

JURISDICTION AFFIRMED OVER CRIMES ON U.S. BASES

HK070842 Quezon City Maharlika Broadcasting System in English 0800 GMT 7 Oct 85

[Text] Justice Minister Estelito Mendoza today asserted the jurisdiction of certain authorities over all criminal offenses committed either by Americans or Filipinos within the U.S. military facilities in the country. This report from Mars Encarnacion:

[Begin recording] Mendoza, who is also solicitor general, said the jurisdiction of American military authorities over offenses committed within their military facilities in the Philippines should be viewed in a limited scope. In a report to Prime Minister Cesar Virata on the problems arising from the implementation of the criminal jurisdiction provisions of the Military Bases Agreement, Mendoza said these U.S. military facilities were within the Philippine territory over which Philippine laws and sovereignty should prevail. Mendoza said the jurisdiction of U.S. military authorities over offenses committed within the facilities is considered merely an exception to the general jurisdiction of Philippine authorities of a sovereign state over all offenses committed within this territory. He stressed, however, in determining whether an offense is [words indistinct] the personal responsibility of a member of the United States Armed Forces [words indistinct] component or of a dependent, the definition and classification of [word indistinct] under our revised penal code has to be followed for the reason that it is [words indistinct], not any foreign law that is being violated, the act being committed in Philippine territory. [end recording]

AFP: FIRST LADY ASKS POPE FOR SIN TRANSFER

HK080333 Hong Kong AFP in English 0248 GMT 8 Oct 85

[Text] Manila, Oct 8 (AFP) -- Pope John Paul II rejected a request by Philippine President Ferdinand Marcos' wife Imelda for him to assign government critic Jaime Cardinal Sin outside Manila, the prelate's spokesman said here today.

Journalist Felix Bautista told AGENCIE FRANCE-PRESSE that Mrs. Marcos made the request in May, when the pontiff installed the Philippines' other cardinal, Archbishop Ricardo Vidal of the major central city of Cebu. He said Mrs. Marcos wanted the Pope to switch the cardinals' assignments. Cardinal Sin is the Archbishop of Manila.

Although Cebu is a large metropolis and is the birthplace of Christianity in this largely Roman Catholic country, it is considered a less prestigious and less visible post than this national capital. Mrs. Marcos "really went all over Rome soliciting the support of religious congregations, but nothing happened said Mr. Bautista, editor of the church-backed weekly VERITAS magazine. Asked what the cardinal's reaction was, Mr. Bautista said: "He just laughed." Mrs. Marcos' spokeswoman could not be reached for comment.

This week's issue of PANORAMA, the country's most widely-circulated magazine, said it was rumored that "certain very powerful and influential parties" were lobbying for Cardinal Sin's transfer to Cebu. It quoted the Archbishop of Manila as saying in an interview: "But I am not worried. The Holy See does not act on a suggestion. I think the pope is happy that I am doing my job."

Cardinal Sin has been a strong and consistent critic of the Marcos administration since the mid-1970's, when the country was under martial law, but he has maintained personal ties with the Marcoses. He was criticized in some quarters when he publicly embraced President Marcos on the chief executive's 68th birthday last September 11 and called for national reconciliation.

"There is tension in our country and I want to destroy that tension," he told PANORAMA. "It is clear in the gospel. Love your enemies, Do good to those that hate you. Pray for them that persecute you. Marcos is not my enemy. Only, I do not agree with his accusations," he added.

GOVERNMENT RESISTS IMF PRESSURE TO DEVALUE PESO

HK080635 Hong Kong AFP in English 0523 GMT 8 Oct 85

[Text] Manila, Oct 8 (AFP) -- The Philippines is resisting International Monetary Fund (IMF) pressures to devalue the peso, which has been holding strongly at about 18.60 to the U.S. dollar for several months, officials said here today. Officials close to Premier Cesar Virata, who leads the Philippines panel at the current IMF-World Bank annual meeting in Seoul, said the issue will be taken up by Filipino and IMF officials in the South Korean capital.

The BUSINESS DAY newspaper here today said the third tranche of a 610 million-dollar IMF standby facility approved last December has been held up by several unresolved issues, including the peso's value. It added that despite the resistance to pressures for a devaluation, there were indications that Manila might eventually succumb. It cited a slight weakening of the currency in the local market over the past week.

Mr. Virata's spokesman Roberto Millena told AGENCE FRANCE-PRESSE that the IMF demand for a devaluation was "old news" and "nothing happens anyway." He reiterated Manila's position that the exchange rate is "what the traffic will bear" and set only by market forces, not by government intervention. Foreign bankers say the peso is overvalued, and that this is the main factor in the sluggish performance of the country's export sector. Many foreign exchange dealers here expect a depreciation of the peso before the year ends, citing the increasing demand towards the Christmas season.

9TH MORATORIUM SOUGHT ON FOREIGN LOAN PAYMENT

HK080687 Hong Kong AFP in English 0539 GMT 8 Oct 85

[Text] Manila, Oct 8 (AFP) -- The Philippines has sought another 90-day moratorium on the repayment of loan principals due to some 480 foreign banks, a top monetary official said here today. "We have already sent out the telexes asking for the ninth (moratorium) that will end in the first week of January," Central Bank Deputy Governor Gabriel Singson told AGENCE FRANCE-PRESSE. Mr. Singson said it was just a formal request, and that creditors would automatically approve it. The request was made yesterday.

Manila's first moratorium began on October 17, 1983, when a debt crisis together with political turmoil following the murder of opposition leader Benigno Aquino in August that year sent the economy plunging to its lowest levels since World War II. Manila has continued paying interest since the moratorium began. Individual creditors are negotiating restructuring agreements on the debts, covered by the moratorium which fall due from October 17, 1983 to December 1986. The total amount is estimated at about 5.8 billion dollars. The country's total foreign debt is officially placed at 25.2 billion dollars.

46 GOVERNMENT CORPORATIONS SUFFER LOSSES

HK060822 Manila BULLETIN TODAY in English 4 Oct 85 p 22

[Text] At least two-fifth or 40 percent of the 118 government-owned and controlled corporation now being audited by the Commission on Audit (COA) suffered losses last year. The state firms incurred a combined loss of P608.2 million in 1984, a reversal from the favorable performance in 1983 when they realized a combined net income of P2.7 billion. The net loss sustained by the government corporate sector would be bigger if the P2.03 billion subsidy they received from the national government last year is taken into account.

These are the findings of the COA in its 1984 annual financial report on stateowned and controlled corporations which it released last Sept. 30. Conceding that overall, 1984 was not a profitable year for the government-owned and controlled corporations, COA listed at least 46 audited state firms which ended up with a net loss after their subsidy from the national government was excluded from their gross income.

As in the last few years, the Social Security System [SSS] again emerged as the country's most profitable corporation. But Development Bank of the Philippines [DBP] and Philippine National Bank [PNB] which in the past had consistently made it to the top 10 gainers, came out the heaviest losers in 1984. SSS posted a net income of P3.6 billion, up by 76 percent from the 1983 level of P2.5 billion. Earnings came principally from members' contributors of P2.1 billion and investment income of P3.02 billion. Next to the SSS as leading profit earner is National Power Corp. (NPC) which netted P1.06 billion. However, the NPC could have ended up with a net loss of P514 million had it not been granted a subsidy in the form of duty and tax exemption which amounted to P1.58 billion.

Third top gainer is Philippine National Oil Company [PNOC] which more than doubled its net profit from P443.2 million in 1983 to P931.3 million last year. However, PNOC is the only government corporation where the resident auditor issued a disclaimer as to the fairness of the presentation of its financial statements due to management's failure to submit its payroll disbursements and other major financial documents for examination.

The Government Service Insurance System [GSIS] regained a spot in the top 10 with its net income of P348.4 million. In 1982, GSIS was number four among the top 10 gainers but it was dislodged from the list in 1983 when its net income dropped to P137 million.

Two other top 10 gainers in 1984 are the National Food Authority [NFA] and the Home Mutual Development Fund [HMDF]. NFA, which was the second biggest loser in 1983 (net loss: P253 million) came out the seventh most profitable government firm in 1984 when it chalked up a net income of P274 million.

On the other hand, HMDF, which implements the Pag-IBIG housing program, placed eighth in last year's profit makes with a net income of P264 million compared to P142 million earned in 1983.

Development Bank of the Philippines [DBP] incurred a hefty loss of P6.6 billion in 1984. Its total expenses for the year hit P9.28 billion in sharp contrast to its income of only P2.64 billion. This is a complete reversal from its healthy performance in 1983 when it raked in a profit of P110 million.

The national government was forced to infuse substantial amount of equity into the DBP to save it from bankruptcy. The bank's financial setbacks stemmed from its poor collection of big outstanding loans and other receivables, heavy financial exposure in non-performing assets and other bad investments.

Philippine National Bank the fourth most profitable government firm in 1983 (net income: P234 million), became the second biggest loser last year (net loss: P1.01 billion). Its total expense soared to P10.3 billion compared to its total income of the P10.2 billion.

Although the National Sugar Trading Corp. slipped from the number one loser in 1983 (net loss: P441.4 million) to third biggest loser in 1984, its net loss last year shot up to P593.9 million or 34 percent higher.

Unlike in previous years, the National Irrigation Administration [NIA] suffered a loss of P98.5 million in 1984 which could be attributed to the withdrawal of a large amount of national government subsidy and its inability to raise irrigation fees despite rising operational costs. In 1983, NIA was ranked as the ninth most profitable state corporation with net income of P145 million.

Food Terminal Inc., an NFA subsidiary, lost P85.60 million last year or P4.5 million higher than the P81.18 million loss recorded in 1983. Philippine National Railways failed in its goal to reduce its yearly losses when it incurred a net loss of P68 million or 44 percent more than the P47.8 million registered in 1983.

JAN 1985 UNEMPLOYMENT RATE HITS 14.7 PERCENT

HK080953 Manila BUSINESS DAY in English 7 Oct 85 p 2

[Text] A national unemployment rate of 14.7 percent was recorded for January 1985 by the National Census and Statistics Office (NCSO). The finding is contained in its report on the Philippine labor force situation as of the 1984 fourth quarter which was made public only recently. Whether such a high jobless rate has since gone down or increased during the first six months of the year is not yet known since NCSO still has to make public findings on the employment situation during the period.

However, the January unemployment rate helps provide an indication to what kind of task faces the government's efforts at turning the country's ailing economy around. In that January, NCSO said the unemployment rate was 8.6 percent higher than the rate that prevailed in the last three months of 1984. It noted that the jobless rate in the urban areas was 19.6 percent compared to 11.6 percent in the countryside.

NCSO added that of the 85.3 percent of the labor force employed that January, only 59.3 percent were considered fully employed or worked 40 hours or more a week, meaning that 40.7 percent were underemployed or looked for more work to be able earn enough. The economically active population (15 years old and above) during the first month of 1985 counted at 32.4 million dividing into 15.934 million males and 16.478 females.

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